

**NEW ISSUE
BOOK-ENTRY ONLY****Rating:**
MOODY'S: "Aaa/VMIG-1"
See "RATING" herein

Subject to compliance by the Issuer and the Borrower with certain covenants, in the opinion of Chapman and Cutler LLP, Special Tax Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Development or any person considered to be related to such person (within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended) and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein for a more complete discussion.

\$60,815,000***MANOR HOUSING PUBLIC FACILITY CORPORATION
MULTIFAMILY HOUSING REVENUE BONDS
(TOWER ROAD APARTMENTS),
SERIES 2024****Dated: Date of Delivery**
Initial Interest Rate: _____ %
Initial Offering Price: _____ %**Optional Redemption Date: May 1, 2027***
Initial Mandatory Tender Date: November 1, 2027*
Maturity Date: November 1, 2042*
CUSIP:** _____

The above-captioned bonds (the "Bonds") are issuable only as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple of \$1,000 in excess thereof. Interest on the Bonds will be payable on each May 1* and November 1*, commencing May 1, 2025*. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York. Principal of and interest on the Bonds is payable by BOKF, NA, as trustee (the "Trustee"), to Cede & Co., which is to remit such payments to the Direct Participants (as defined herein) for subsequent disbursement to the purchasers of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are being issued by the Manor Housing Public Facility Corporation (the "Issuer"), pursuant to a Trust Indenture dated as of October 1, 2024 (the "Indenture"), between the Issuer and the Trustee, to provide financing to Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the "Borrower"), for the acquisition, construction and equipping of a 324-unit residential rental housing development to be located in Manor, Texas, to be known as Tower Road Apartments (the "Development" or the "Project"). Under the terms of the Indenture, an amount equal to the principal amount of the Bonds is to be deposited in the Project Fund established under the Indenture and invested pursuant to the Indenture.

At all times, the Bonds will be secured by Eligible Funds sufficient, with interest earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Eligible Funds will be invested in Eligible Investments under the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds are subject to optional redemption prior to maturity as set forth herein. See "THE BONDS" herein.

The Bonds are subject to mandatory tender for purchase on the Initial Mandatory Tender Date, subject to satisfaction of the applicable terms and conditions of remarketing set forth in the Indenture, or mandatory redemption, if the conditions to remarketing the Bonds are not met on or before the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture, or the Bonds may be redeemed and cancelled on the Initial Mandatory Tender Date. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Simultaneously with the issuance of the Bonds, the Issuer will issue its Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments) Series 2024 (the "Subordinate Bonds") in the principal amount of \$4,000,000*. The Subordinate Bonds will be issued pursuant to a Subordinate Indenture of Trust dated as of October 1, 2024, between the Issuer and the Trustee, to finance certain additional costs of the Project. The Subordinate Bonds are not being offered pursuant to this Official Statement and will be secured by a trust estate that is separate from the Trust Estate securing the Bonds. Closing on the Subordinate Bonds is dependent on the closing of the Bonds.

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL BE A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS AND BENEFICIAL OWNERS THEREOF AGAINST THE SECURITY, THAT IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND THAT SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER, THE STATE OF TEXAS, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ISSUER NOR ANY PERSON EXECUTING BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF.

NO MEMBER, DIRECTOR, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THE BONDS AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

* Preliminary, subject to change.

** Neither the Issuer nor the Borrower is responsible for the use of the CUSIP numbers referenced in this Official Statement, nor is any representation made by the Issuer or the Borrower as to their correctness; the CUSIP numbers are included solely for the convenience of the readers of this Official Statement.

This cover page contains only a brief description of the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors must read this Official Statement in its entirety to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), subject to the approval as to their validity by the Attorney General of Texas and by Bickerstaff Heath Delgado Acosta LLP, Austin, Texas and as to their tax-exempt status by Chapman and Cutler LLP, Chicago, Illinois, and certain other conditions. Hilltop Securities Inc., Austin, Texas, has served as Financial Advisor to the Issuer. Certain legal matters will be passed upon for the Borrower by its counsel, Winthrop & Weinstine, P.A., Minneapolis, Minnesota, and for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, D.C., and by Chapman and Cutler LLP, Chicago, Illinois, disclosure counsel. It is expected that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about October __, 2024.

STIFEL

Date: _____, 2024

No broker, dealer, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Bonds other than those contained in this Official Statement, and, if given or made, such information or representations must not be relied upon as having been authorized by the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The Issuer has not and does not assume any responsibility as to the accuracy or completeness of the information in this Official Statement, other than the information concerning the Issuer under the caption “The Issuer” and “ABSENCE OF LITIGATION — The Issuer.” The other information set forth herein has been obtained from sources believed to be reliable, but is not guaranteed as to accuracy and is not to be construed as a representation of such by the Underwriter or the Issuer. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information or opinions set forth herein since the date hereof. The Issuer has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in this Official Statement or any amendments thereof or supplements thereto, or in any reports, financial information, offering or disclosure documents or other information relating to the Borrower, the Project, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrower or contained otherwise in this Official Statement.

BOKF, NA, a national banking association, as Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to any matters contained in this Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the Bonds, or (iii) the tax-exempt status of the Bonds.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Upon issuance, the Bonds will not be registered by the Issuer under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the U.S. Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or, other than the Issuer (to the extent described herein) approved the Bonds for sale.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT TEND TO STABILIZE OR MAINTAIN THE MARKET PRICE FOR THE BONDS ABOVE THE LEVELS THAT WOULD OTHERWISE PREVAIL. SUCH ACTIVITIES, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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\$60,815,000*
MANOR HOUSING PUBLIC FACILITY CORPORATION
MULTIFAMILY HOUSING REVENUE BONDS
(TOWER ROAD APARTMENTS),
SERIES 2024

INTRODUCTION

This Official Statement, including the Appendices, has been prepared in connection with the issuance of the above-captioned Bonds (the “*Bonds*”) by the Manor Housing Public Facility Corporation (the “*Issuer*”), a public facility corporation organized and existing under the laws of the State of Texas (the “*State*”). See “THE ISSUER” herein. The Issuer has authorized the issuance of the Bonds by a resolution relating to the issuance of the Bonds adopted by the board of directors of the Issuer on October 16, 2024 (the “*Bond Resolution*”) and the Bonds are issued pursuant to a Trust Indenture dated as of October 1, 2024 (the “*Indenture*”), between the Issuer and BOKF, NA, as trustee (the “*Trustee*”). Certain capitalized terms that are used in this Official Statement and not otherwise defined shall have the definitions ascribed to them in “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto.

The Bonds will be issued pursuant to and in accordance with the provisions of the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended (the “*Act*”), to provide funds to make a loan (the “*Loan*”) to Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the “*Borrower*”), to finance or provide for the acquisition, construction and equipping of a 324-unit residential rental housing development to be located in Manor, Texas, to be known as Tower Road Apartments (the “*Project*”). See “THE PROJECT AND THE BORROWER” herein. The terms of the financing are to be as set forth in the Loan Agreement dated as of October 1, 2024 (the “*Loan Agreement*”), between the Issuer and the Borrower. The obligation of the Borrower to repay the Loan pursuant to the Loan Agreement will be evidenced by a promissory note (the “*Note*”). The Issuer was formed by the City of Manor, Texas (the “*Sponsor*”), a Texas Home Rule Municipality. The City Council of the Sponsor authorized the issuance of the Bonds by the Issuer by a resolution on September 16, 2024.

Under the terms of the Indenture, on the date of delivery an amount equal to the proceeds of the Bonds is to be deposited in the Project Fund established under the Indenture, and invested in Eligible Investments. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds” hereto.

The principal of and interest on the Bonds (the “*Bond Service Charges*”) are payable from the security pledged under the Indenture, including the payments on the investment of funds under the Indenture. Under the Indenture, the Trustee is to invest amounts held under the Indenture in Eligible Investments.

* Preliminary, subject to change.

At all times the Bonds will be secured by Eligible Funds sufficient, with interest earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Eligible Funds will be invested in Eligible Investments under the Indenture, as further described in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

Simultaneously with the issuance of the Bonds, Associated Bank, National Association, acting in its capacity as administrative agent for the financial institutions that are or may from time to time become parties to the Syndicated Construction Loan Agreement (collectively, the “Lender”), the Trustee, the Title Company, the Bridge Lender (defined herein) and the Borrower will enter into a Disbursing Agreement (the “Disbursement Agreement”), pursuant to which the Lender will agree to transfer certain Eligible Funds to the Trustee for deposit in the Collateral Fund held by the Trustee under the Indenture. Upon the deposit of Eligible Funds into the Collateral Fund, and subject to the other provisions set forth in the Indenture, a like amount of funds will be disbursed by the Trustee from the Project Fund to or at the direction of the Borrower pay the costs of the Project. See “THE MORTGAGE LOAN, COLLATERAL PAYMENTS AND DISBURSEMENT OF BOND PROCEEDS” herein.

The Borrower’s operation of the Project will be subject to the terms of a Tax Exemption Certificate and Agreement dated as of the Closing Date (the “Tax Exemption Agreement”), between the Borrower and the Issuer and a Regulatory Agreement and Declaration of Restrictive Covenants (the “Tax Regulatory Agreement”), among the Borrower, the Trustee and the Issuer (the “Tax Regulatory Agreement”), each of which contains covenants required to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Tax Regulatory Agreement will require, among other restrictions, that for the Qualified Project Period (as defined therein), 40% of the dwelling units in the Project (except for dwelling units reserved for a resident manager, security personnel and maintenance personnel) are reserved for tenants whose combined annual income does not exceed 60% of the median gross income for the area in which the Project is located, adjusted for family size. See “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT” hereto.

The Bonds will bear interest on the outstanding principal amount thereof at the Initial Interest Rate set forth on the cover page hereof (the “Initial Interest Rate”) from their date of delivery to but not including November 1, 2027* (the “Initial Mandatory Tender Date”), payable on each May 1* and November 1*, commencing May 1, 2025* (each an “Interest Payment Date”).

The Bonds are subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date. In the event the conditions to remarketing set forth in the Indenture are not met, or if any portion of the Bonds cannot be remarketed, all of the Bonds will be subject to mandatory redemption on the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. A new interest rate

* Preliminary, subject to change.

for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Brief descriptions of the Issuer, the Bonds, the security for the Bonds, the Borrower, the Project, the Indenture, the Tax Regulatory Agreement, the Tax Exemption Agreement, the Disbursement Agreement and the Loan Agreement are included in this Official Statement. All references herein to the Indenture, the Loan Agreement, the Tax Regulatory Agreement and other documents and agreements are qualified in their entirety by reference to such documents and agreements, copies of which are available for inspection at the offices of the Trustee.

The Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein under “THE BONDS.”

THE MORTGAGE LOAN, COLLATERAL PAYMENTS AND DISBURSEMENT OF BOND PROCEEDS

Simultaneously with the issuance of the Bonds, the Borrower will obtain a mortgage loan (the “*Mortgage Loan*”) from the Lender. Over time, funds provided by the Lender are expected to be deposited into the Collateral Fund (collectively, the “*Collateral Payments*”) in an amount equal to all or a portion of such disbursement as security for the Bonds in exchange for a like amount of Bond proceeds from the Project Fund, which is to be disbursed by the Trustee to or at the direction of the Lender for purposes of paying costs of the Project, all in accordance with the Loan Agreement and the Indenture. The maximum aggregate amount of funds from the Lender to be deposited as Collateral Payments over time will be \$60,815,000*.

Bond Service Charges will be payable as they become due, in the following order: (i) from money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of any Bond Service Charges), (ii) from money on deposit in the Bond Fund (other than the Negative Arbitrage Account), (iii) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, (iv) from money on deposit in the Project Fund and transferred as necessary to the Bond Fund and (v) from money on deposit in the Negative Arbitrage Account to the Bond Fund (to pay all Bond Service Charges).

Notwithstanding any provision of the Loan Agreement, the Disbursement Agreement or the Indenture to the contrary, the Trustee will not disburse funds from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has determined that the sum of the amount then held in the Collateral Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund, is at least equal to the then outstanding principal amount of the Bonds. Upon receipt of a Collateral Payment, subject to the foregoing provisions, the Trustee may disburse Bond proceeds to or at the direction

of the Lender for use by the Borrower to pay costs of the Project, in accordance with the terms of the Loan Agreement.

The amounts on deposit in the Project Fund, the Bond Fund and the Collateral Fund will be invested on the date of delivery of the Bonds in Eligible Investments. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE —Investment of Special Funds” hereto. At all times the Bonds will be secured by Eligible Investments or other Eligible Funds sufficient, together with interest earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of any Redemption Date or any Mandatory Tender Date, as further described herein.

THE ISSUER

The Issuer is a nonprofit public facility corporation created and existing under the laws of the State. The Issuer was duly created and organized pursuant to and in accordance with the provisions of the Act for the purpose of, among other things, issuing bonds to finance “public facilities” of the Sponsor, a Texas Home Rule Municipality. Chapter 303 authorizes the Issuer to (a) issue bonds to finance, refinance or provide public facilities on behalf of the Sponsor; (b) use the proceeds of its bonds to maintain reserve funds determined by the Sponsor and the Issuer to be necessary and appropriate; (c) pay any costs relating to the issuance or incurrence of bonds by the Issuer; and (d) mortgage or pledge a public facility financed by the Issuer as security for the payment of any connected bonds. On October 16, 2024, the Issuer adopted a resolution authorizing the issuance of the Bonds pursuant to the authority of the provisions of the Act and the Sponsor adopted a resolution approving the issuance of the Bonds by the Issuer in accordance with the provisions of the Act.

Upon the issuance of the Bonds, the Issuer will become the sole member of the general partner of the Borrower. See “THE PROJECT AND THE BORROWER” herein. However, the Issuer will have no direct responsibility with respect to the management and operation of the Project, the servicing of the Mortgage Loan or the collection, payment or transfer of any moneys derived therefrom.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND “ABSENCE OF LITIGATION – THE ISSUER,” NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR

GENERAL OBLIGATION OF THE ISSUER, THE STATE, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER.

THE BONDS

The Bonds are available in book-entry only form. See “BOOK-ENTRY ONLY SYSTEM” below. So long as Cede & Co., as nominee of The Depository Trust Company, is the registered owner of the Bonds, references herein to the Bondholders or holders or registered owner or owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds.

GENERAL

The Bonds are issuable in the denomination of \$5,000 principal amount or any integral multiple of \$1,000 in excess thereof. The Bonds will initially bear interest at the Initial Interest Rate from the date of delivery to but not including the Initial Mandatory Tender Date and will mature on November 1, 2042* (the “*Maturity Date*”), subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date and redemption on any Redemption Date. Interest will be payable on each Interest Payment Date in accordance with the provisions of the Indenture. Interest will be calculated and be due on the basis of a 360-day year consisting of twelve 30-day months. Principal of and interest on the Bonds will be payable by the Trustee to Cede & Co. as nominee of DTC. See “BOOK-ENTRY ONLY SYSTEM” below.

SPECIAL OBLIGATIONS

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL BE A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS AND BENEFICIAL OWNERS THEREOF AGAINST THE SECURITY, THAT IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND THAT SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER, THE STATE OF TEXAS, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ISSUER NOR ANY PERSON EXECUTING

* Preliminary, subject to change.

BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE ISSUER HAS NO TAXING POWER.

NO MEMBER, DIRECTOR, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THE BONDS AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

OPTIONAL REDEMPTION

The Bonds are subject to optional redemption prior to their maturity from Eligible Funds, at the written direction of an Authorized Borrower Representative (with delivery of a Cash Flow Projection and written notice to the Trustee at least thirty-five (35) days prior to the proposed redemption date and, in the case of a redemption in part, specifying the principal amount of the Bonds to be redeemed) subject to the conditions set forth in the Loan Agreement, either in whole or in part, on or after May 1, 2027* (the “*Optional Redemption Date*”) at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, but without premium, to the date fixed for redemption.

MANDATORY REDEMPTION

The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth in the Indenture, or (iii) the amount on deposit in the Remarketing Proceeds Account at 11:00 a.m. Eastern time on the Mandatory Tender Date is insufficient to pay the Purchase Price (as defined below) of the outstanding Unredeemed Bonds on such Mandatory Tender Date, or (iv) the Trustee has not received an executed copy of the Opinion of Bond Counsel as described in the Indenture by 11:00 a.m. Eastern time on the Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Bond Fund, other than funds in the Negative Arbitrage Account therein, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower. The Initial Mandatory Tender Date is November 1, 2027*.

* Preliminary, subject to change.

NOTICE OF REDEMPTION

Unless waived by any Holder of Bonds to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first-class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 20 days nor more than 30 days prior to the date fixed for redemption. A second notice of redemption shall be given, as soon as practicable, by first-class mail to the Holder of each Bond which has been so called for redemption but has not been presented and surrendered to the Trustee within 30 days following the date fixed for redemption of that Bond. So long as DTC is the registered owner of the Bonds, notice of any redemption with respect to the Bonds will be given only to DTC or its nominee. Any failure of DTC to notify the Beneficial Owners of any such notice and its contents or effect will not affect the validity of such notice of any proceedings for the redemption of such Bonds. Failure to receive notice by mailing or any defect in that notice regarding any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. With respect to a mandatory redemption pursuant to the heading "Mandatory Redemption" above, the notice of Mandatory Tender provided to Holders pursuant to the Indenture shall serve as the notice of redemption required by this section and shall satisfy the requirements of this section and no further notice of redemption will be required to the Holders.

MANDATORY TENDER

(a) The Unredeemed Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date and shall be purchased at a price (the "*Purchase Price*") equal to 100% of the principal amount of such Bonds, without premium. No later than 10:00 a.m., Eastern time, on the Mandatory Tender Date, the Holders of the Unredeemed Bonds shall deliver such Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the Purchase Price of the Unredeemed Bonds not later than 2:30 p.m. Eastern time on the Mandatory Tender Date, in the following priority: (i) amounts on deposit in the Remarketing Proceeds Account, and (ii) any other Eligible Funds available or made available for such purpose at the direction of an Authorized Borrower Representative.

(b) The Trustee is required under the Indenture to, not less than thirty (30) days before the Mandatory Tender Date, give written notice of tender and remarketing to the Holders of Unredeemed Bonds by first class mail, postage prepaid, at their respective addresses appearing in the Register. The notice shall state the Mandatory Tender Date and that:

(i) all outstanding Unredeemed Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date and must be tendered for purchase on the Mandatory Tender Date;

(ii) all outstanding Unredeemed Bonds will be purchased on the Mandatory Tender Date at a price equal to the Purchase Price;

(iii) Holders will not have the right to elect to retain their Unredeemed Bonds and any such Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date; and

(iv) the address of the office of the Trustee at which Holders should deliver their Unredeemed Bonds for purchase on the Mandatory Tender Date.

If notice is given as stated in this subsection, failure of any Holder to receive such notice, or any defect in the notice, shall not affect the remarketing or the validity of the proceedings for the remarketing of the Unredeemed Bonds.

NO ADDITIONAL PARITY BONDS

The Indenture does not permit the Issuer to issue additional indebtedness prior to or on a parity with the Bonds.

BOOK-ENTRY ONLY SYSTEM

The following information on the Book-Entry System applicable to all Bonds has been supplied by DTC and neither the Issuer, the Borrower nor the Underwriter make any representation, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by

the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has a S&P Global Ratings’ rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI

Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividends (“*debt charges payments*”) on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts, upon DTC’s receipt of funds and corresponding detail information from the Issuer or Trustee on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions or dividends (“*debt charges*”) to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information above in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer and the Underwriter take no responsibility for the accuracy thereof. The Issuer has no role in the purchases, transfers or sales of book entry interests. The rights of Beneficial Owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisers the manner of transferring or pledging their book-entry interests. The Issuer has no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, beneficial ownership, or for maintaining, supervising or reviewing any records relating to that ownership. The Issuer cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Bonds made to DTC as the registered owner, or any redemption, if any, or other notices, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve or act in a manner described in this Official Statement.

Direct Participants and Indirect Participants may impose service charges on Beneficial Owners in certain cases. Purchasers of book-entry interests should discuss that possibility with their brokers.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

At all times the Bonds will be secured by Eligible Funds sufficient, with interest earnings thereon (without the need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. Eligible Funds will be invested in Eligible Investments under the Indenture.

The Bonds will be secured under the Indenture by all right, title and interest of the Issuer in and to (i) the Revenues, including, without limitation, all Loan Payments, Collateral Payments and other amounts receivable by the Trustee in respect of repayment of the Loan other than amounts received by the Issuer with respect to Reserved Rights, (ii) the Special Funds, including all accounts in those Funds and all money deposited therein and the investment earnings on such money, (iii) the proceeds derived from the sale of the Bonds, and any securities in which money in the Special Funds are invested, and (except for money required to be rebated to the United States of America under the Internal Revenue Code of 1986, as amended (the “Code”)) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, (iv) the Note and (v) the Loan Agreement, except for the Reserved Rights of the Issuer (the foregoing collectively referred to as the “Trust Estate”).

Amounts deposited in the Special Funds and the Rebate Fund are to be invested in Eligible Investments. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Rebate Fund and Investment of Special Funds” hereto.

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON, THE BONDS SOLELY OUT OF THE TRUST ESTATE. THE BONDS SHALL BE A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS AND BENEFICIAL OWNERS THEREOF AGAINST THE SECURITY, THAT IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS AND THAT SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER, THE STATE OF TEXAS, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS, THE SPONSOR OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. NEITHER THE MEMBERS OF THE BOARD OF DIRECTORS OF THE ISSUER NOR ANY PERSON EXECUTING BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF.

NO MEMBER, DIRECTOR, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, DIRECTOR, OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THE BONDS AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

THE PROJECT AND THE BORROWER

The information under this heading has been provided solely by the Borrower and has not been independently verified by the Issuer, the Underwriter or any of their respective counsel, members, officers or employees, Bond Counsel or Special Tax Counsel. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer, the Underwriter or any of their respective counsel, members, officers or employees, Bond Counsel or Special Tax Counsel.

THE PROJECT

The Project, to be known as Tower Road Apartments, will be located in Manor, Texas, on an approximately 15.435-acre site. The Project is expected to contain 324 apartment units to be located in 11 residential buildings. The Borrower will ground lease the land on which the Project is located from the Issuer (the “Ground Lessor”), pursuant to a Ground Lease dated as of the Closing Date, between the Borrower and the Ground Lessor. The property on which the Project is located is expected to be exempt from property taxation. Construction of the Project is anticipated to commence in [November 2024] and be completed approximately 27 months later.

Common area improvements will include: offices, clubroom and kitchen, fitness center, business center, supportive services room and tutoring services, pool, playground. There will be approximately 583 parking spaces for resident use only. Site amenities include outdoor picnic and grilling areas, pond amenity, walking paths.

The unit mix and approximate square footage for the units of the Project will be as follows:

UNIT TYPE	AVERAGE SQUARE FEET	NUMBER OF UNITS
2 Bedroom 2 Bath (60% AMI)	853	78
3 Bedroom 2 Bath (60% AMI)	1,177	114
3 Bedroom 2 Bath 60% AMI	1,211	66
4 Bedroom 2 Bath (60% AMI)	1,375	66
TOTAL		324

THE BORROWER

The Borrower is a single purpose entity formed to acquire, rehabilitate and operate the Project. Upon the issuance of the Bonds, the Borrower's general partner will be MHPFC TRGP1 LLC, a Texas limited liability company (the "*General Partner*"), which will have a 0.005% ownership interest in the Borrower and the Borrower's Class B Limited Partner will be Manor Leased Housing Associates LP I, LLC, a Minnesota limited liability company (the "*Class B Limited Partner*"), which will have a 0.005% ownership interest in the Borrower. RBC Community Investments, LLC, an Illinois limited liability company (the "*Investor Limited Partner*"), will own a 99.989% interest in the Borrower and RBC Community Investments Manager II, Inc., Delaware corporation will own a 0.001% interest in the borrower.

THE DEVELOPER

The developer is Manor Leased Housing Development I, LLC, a Minnesota limited liability company (the "*Developer*").

Dominium, Inc., an affiliate of the Developer, has been in the business of acquiring, owning and developing affordable apartment complexes for more than 50 years. Founded in 1972, Dominion and its affiliates have been involved in the development of more than 230 apartment complexes containing approximately 38,000 units in 23 states. These projects include more than 200 low-income housing tax credit projects.

LIMITED ASSETS AND OBLIGATION OF BORROWER, GENERAL PARTNER AND INVESTOR LIMITED PARTNER

The Borrower and the General Partner have no substantial assets other than the Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. However, the General Partner, the Investor Limited Partner, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Loan Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its partners have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower's financial statements nor those of its partners are included in this Official Statement.

THE PROPERTY MANAGER

The Project will be managed by Dominion Texas Management Services, LLC, a Texas limited liability company or its affiliates (collectively, the “*Property Manager*”). The Property Manager is an affiliate of the Developer.

The Property Manager has been involved in the management of apartment complexes since 1976. The Property Manager currently manages more than 215 apartment complexes comprising a total of approximately 38,000 units throughout the United States. The Property Manager was formed in 1976 and currently has a staff of over 400 corporate personnel and 800 site employees.

THE GENERAL CONTRACTOR

The general contractor for the Project will be Tower Road Contractor, LLC (the “*General Contractor*”). The General Contractor is a Texas limited liability company affiliated with the General Partner and the Issuer, but not with the Developer. The General Contractor has engaged WD Construction, LLC (the “*Subcontractor*”) to perform all of the work to be performed by the General Contractor under a construction contract entered into between the Borrower and the General Contractor. The Subcontractor is an affiliate of the Developer.

THE ARCHITECT

The architect for the Project is Boarman Kroos Vogel Group, Inc., d/b/a BKV Group (the “*Architect*”). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for over 45 years and has been the principal architect for approximately 400 multifamily developments with an excess of 33,000 units throughout 23 states.

THE LENDER

The Lender will, upon satisfaction of certain conditions precedent, make the Mortgage Loan to the Borrower.

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PLAN OF FINANCING*

The estimated sources and uses of funds for the Project are projected to be approximately as follows:

SOURCES OF FUNDS*

Bond Proceeds ¹	\$ 60,815,000
Federal Tax Credit Equity ²	38,060,795
Funding Loan ¹	69,700,000
Subordinate Bonds	4,000,000
GP and SLP Equity Contribution	200
Deferred Developer Fee	9,503,459
Bond Earnings	8,847,248
TOTAL	<u>\$190,926,702</u>

USES OF FUNDS*

Project Acquisition	\$ 4,500,000
Construction Costs	77,778,800
Professional Services & Soft Costs	3,063,770
Permanent Financing Costs	492,461
Total Costs of Issuance	2,088,092
Tax Credit Fees	215,962
Project Reserves and Escrows	26,124,403
Developer Fee	14,775,153
Closing Cost	423,797
Construction Financing Costs	649,24
Deposit with Bond Trustee	60,815,000
TOTAL	<u>\$190,926,702</u>

¹ Subject to the satisfaction of certain conditions, the Bonds may be redeemed on or prior to the Initial Mandatory Tender Date with certain Eligible Funds, including the proceeds of a loan in an amount not to exceed \$[69,700,000]* (the "*Funding Loan*") from JLL Real Estate Capital, LLC, an Illinois limited liability company in its capacity as the Freddie Mac Seller/Service (the "*Freddie Mac Seller/Service*"), which Funding Loan, if issued, is expected to be sold to Federal Home Loan Mortgage Corporation ("*Freddie Mac*").

² A portion of the tax credit equity is expected to be initially funded using the Equity Bridge Loan (defined below), which will then be repaid with capital contributions from the Investor Limited Partner.

All costs of issuing the Bonds, including the Underwriter's fee, will be paid by the Borrower.

The Mortgage Loan. The Project will utilize a construction loan in the principal amount of up to \$[_____]* (the "*Mortgage Loan*"). The Mortgage Loan will be secured by a senior mortgage on the Project and the obligation to repay the Mortgage Loan will be evidenced by a promissory note (the "*Mortgage Note*") from the Borrower to the Lender. The Mortgage Note

* Preliminary, subject to change.

will have a term of 36* months, with the right to one six-month extension, and will bear interest at 30 day SOFR (with a floor of 3.15%*) plus 2.85%*, with no payments of principal except from equity contributions during the term, and with all unpaid principal and interest due at maturity. Up to \$60,810,515* of Mortgage Loan proceeds will be disbursed from time to time by the Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to the Project.

The Federal Low Income Housing Tax Credits. Prior to the issuance of the Bonds, the Borrower sold to the Investor Limited Partner a 99.989% ownership interest in the Borrower. Pursuant to the sale, the funding of the Federal Low Income Housing Tax Credit equity will total approximately \$38,060,795*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Subordinate Bonds. Simultaneously with the issuance of the Bonds, the Issuer will issue its Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments) Series 2024 (the “*Subordinate Bonds*”) in the principal amount of \$4,000,000*. The Subordinate Bonds will be issued pursuant a Subordinate Indenture of Trust dated as of October 1, 2024, between the Issuer and the Trustee, to finance certain additional costs of the Project. The Subordinate Bonds are not being offered pursuant to this Official Statement and will be secured by a trust estate that is separate from the Trust Estate securing the Bonds, including by a subordinate mortgage against the Project subordinate to the Mortgage Loan. The proceeds of the Subordinate Bonds will be loaned by the Issuer to the Borrower pursuant to the terms of a Subordinate Loan Agreement dated as of October 1, 2024, between the Issuer and the Borrower, and the obligation to repay the such loan will be evidenced by a subordinate promissory note from the Borrower to the Issuer. Closing on the Subordinate Bonds is dependent on the closing of the Bonds.

[Equity Bridge Loan. The Project will also utilize an equity bridge loan (the “*Equity Bridge Loan*”) from Bremer Bank, National Association (the “*Bridge Lender*”), in the original principal amount of \$____, pursuant to the [Bridge Loan Agreement] (the “*Bridge Loan Agreement*”). The obligation to repay the Equity Bridge Loan will be evidenced by a promissory note (the “*Bridge Note*”) from the Borrower to the Bridge Lender, which will bear interest at a rate of [____]%*. The Equity Bridge Loan will be secured by certain equity interests in the Borrower, capital contributions payable to the Borrower under the Partnership Agreement, [and a second priority Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (with Power of Sale), dated as of the date of the Bridge Loan Agreement (the “*Bridge Mortgage*”), made by the Borrower in favor of a deed of trust trustee for the benefit of the Bridge Lender.]

Deferred Developer Fee. The Project will also utilize deferred developer fee in the amount of \$9,503,459* as a source of funding. The obligation to pay the deferred developer fees

* Preliminary, subject to change.

will be set forth in a promissory note from the Borrower to the developer. The note will be payable from net cash flow.

PROJECT REGULATION

The Borrower intends to construct and operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds and the closing of the Mortgage Loan, the Borrower, the Issuer and the Trustee will enter into the Tax Regulatory Agreement. Under the Tax Regulatory Agreement, the Borrower will agree that, at all times during the Qualified Project Period, the Borrower will rent at least 40% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is less than 60% of the median area income (adjusted for family size). The Borrower will also agree to satisfy the requirements of the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended, and Chapter 1372 of the Texas Government Code, as amended. The Qualified Project Period commences on the date the on the first day after the acquisition, construction and installation of the Project by the Borrower on which at least ten percent (10%) of the residential units in the Project are first occupied and ends with respect to the Project on the latest of the date (i) which is fifteen (15) years after the date on which 50 percent (50%) of the residential units in the Project are occupied, (ii) which is the first day on which the Bonds or other tax-exempt private activity bonds (as defined in Section 141(a) of the Code) or similar tax-exempt financing instrument issued with respect to the Development are not outstanding (including any refunding of any such obligations) or (iii) on which any assistance provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates. The failure of the Borrower to comply with the Tax Regulatory Agreement could cause interest on the Bonds to be included in gross income for federal income tax purposes. See “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT” hereto.

The Project will also be encumbered by an Extended Use Agreement required by Section 42 of the Code relating to tax credits, which will (a) restrict the income levels of 100% of the units in the Project to amounts not greater than 60% of the area median income adjusted for family size, and (b) restrict the rents which may be charged to the tenants for occupancy of units in the Project to not more than 30% of 60% of area median income, adjusted for family size.

Additional restrictions are imposed on the Project pursuant to the Tax Regulatory Agreement entered into by the Borrower in connection with the Mortgage Loan.

The sources and uses of funds to be applied under the Indenture are projected to be approximately as follows:

SOURCES OF FUNDS*

Bond Proceeds	\$60,815,000
TOTAL	<u>\$60,815,000</u>

USES OF FUNDS*

Project Fund	<u>\$60,815,000</u>
TOTAL	<u>\$60,815,000</u>

* Preliminary, subject to change.

CERTAIN BONDHOLDERS' RISKS

The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.

GENERAL

Payment of the Bond Service Charges and the Borrower's obligations with respect to the Bond Service Charges, will be primarily secured by and payable from Bond proceeds held in the Project Fund and money deposited into the Collateral Fund and the Bond Fund, including the Negative Arbitrage Account held in the Bond Fund. Although the Borrower will execute the Note to evidence its obligation to repay the Loan, it is not expected that any revenues from the Project or other amounts, except money in the Special Funds, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Special Funds is at least equal to the then outstanding principal amount of the Bonds. Amounts on deposit in the Collateral Fund and Negative Arbitrage Account of the Bond Fund will be sufficient to pay the debt service on the Bonds.

LIMITED SECURITY; INVESTMENT OF FUNDS

The Bonds are special limited obligations of the Issuer payable solely from the Trust Estate, which includes certain funds pledged to and held by the Trustee pursuant to the Indenture.

The Bonds are offered solely on the basis of the amounts held under the Indenture and are not offered on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the Borrower is included in this Official Statement. The Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture and not on the credit of the Borrower, the feasibility of the Project or any other security.

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture. The Trustee is required to invest amounts held in the Special Funds in Eligible Investments, as defined in the Indenture. See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Special Funds" hereto. Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

EARLY REDEMPTION OF THE BONDS

Any person who purchases a Bond should consider the fact that the Bonds are subject to redemption prior to maturity, upon the occurrence of certain events. See "THE BONDS — Mandatory Redemption" herein.

TAXABILITY

The Bonds would not be subject to redemption, and the rate of interest on the Bonds would not be subject to adjustment, if the interest on the Bonds were to become included in gross income for purposes of federal income taxation. Such event could occur if the Borrower (or any subsequent owner of the Project) does not comply with the provisions of the Tax Regulatory Agreement, the Tax Exemption Agreement and the Loan Agreement that are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excludable from gross income for purposes of federal income tax.

ENFORCEABILITY OF REMEDIES

The remedies available to the Trustee and the owners of the Bonds upon an event of default under the Loan Agreement or the Indenture are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under the Loan Agreement or the Indenture may not be readily available, and the Borrower will have no personal liability for the satisfaction of any obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds and the documents described above is subject to limitations imposed by such things as the exercise of judicial discretion in accordance with general principles of equity (whether applied by a court of law or a court of equity), including judicial limitations on rights to specific performance and bankruptcy, insolvency, reorganization, moratorium or other similar laws heretofore or hereafter in effect affecting creditors' rights, to the extent constitutionally applicable.

SECONDARY MARKETS AND PRICES

The Underwriter will not be obligated to repurchase any of the Bonds, and no representation is made concerning the existence of any secondary market for the Bonds. No assurance can be given that any secondary market will develop following the completion of the offering of the Bonds contemplated by this Official Statement, and no assurance can be given that the Bonds can be resold at their initial offering prices for any period of time.

ISSUER LIMITED LIABILITY

The Bonds will not be insured or guaranteed by any governmental entity or by the Issuer or any member or program participant of the foregoing. The holders of the Bonds will have no recourse to the Issuer in the event of an event of default on the Bonds. See "The Issuer" and "THE BONDS — Special Obligations."

ELIGIBLE INVESTMENTS

Proceeds of the Bonds deposited into the Project Fund and Eligible Funds received by the Trustee for deposit into the Collateral Fund are required to be invested in Eligible Investments. See “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Project Fund or the Collateral Fund, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

RATING BASED ON ELIGIBLE INVESTMENTS

The rating on the Bonds is based on the amounts in the Special Funds being invested in Eligible Investments. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Bonds.

SUBORDINATION TO MORTGAGE LOAN DOCUMENTS

The Indenture, the Loan Agreement, the Note, and the Tax Regulatory Agreement contain provisions regarding subordination of such documents to the Mortgage Loan Documents. No assurance can be given that such provisions will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes.

FUTURE LEGISLATION; IRS EXAMINATION

The Project, its operation and the treatment of interest on the Bonds are subject to various laws, rules and regulations adopted by the local, State and federal governments and their agencies. There can be no assurance that relevant local, State or federal laws, rules and regulations may not be amended or modified or interpreted in the future in a manner that could adversely affect the Bonds, the trust estate created under the Indenture, the Project, or the financial condition of or ability of the Borrower to comply with its obligations under the various transaction documents.

In recent years, the Internal Revenue Service (“*IRS*”) has increased the frequency and scope of its examination and other enforcement activity regarding tax-exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “Tax Exemption” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

POTENTIAL IMPACT OF PANDEMICS

Without limiting the generality of the foregoing, an outbreak of a highly contagious, epidemic or pandemic infectious disease such as COVID-19, Zika or Ebola nationally or locally in the Project's market area could adversely affect the Borrower's operations and financial results, including the cost or length of time necessary to complete the construction of the Project. An increase in delinquencies and/or vacancies could depress rental revenue, and operating costs could increase, resulting in a default by the Borrower on its obligations with respect to the Bonds or the Mortgage Loan, including the taxability of interest paid on, and/or the extraordinary mandatory redemption of, the Bonds.

SUMMARY

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement, including the Appendices hereto.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Issuer and the Borrower have covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to compliance by the Issuer and the Borrower with the above referenced covenants, under present law, in the opinion of Special Tax Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes, except for interest on any Bond for any period during which such Bond is owned by a person who is a substantial user of the Project or any person considered to be related to such person (within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code") and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Code. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Special Tax Counsel will rely upon certifications of the Issuer and the Borrower with respect to certain material facts within the Issuer's and the Borrower's knowledge. Special Tax Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability of any such collateral consequences.

The issue price for original issue discount and market discount purposes (the “OID Issue Price”) for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of such maturity, if any, of the Bonds (the “*OID Bonds*”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Issuer and the Borrower comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes (except an owner who is a substantial user of the Project or any person considered to be related to such person within the meaning of Section 147(a) of the Code); (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the “*Revised Issue Price*”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does

not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax exempt bond. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Special Tax Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The IRS has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the IRS, interest on such tax exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of the Bonds. If an audit is commenced, under current procedures the IRS may treat the Issuer as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Special Tax Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

UNDERWRITING

The Underwriter is offering the Bonds at the price set forth on the cover hereof. The initial offering price may be changed from time to time and concessions from the offering price may be allowed to dealers, banks and others. The Underwriter has agreed to purchase the Bonds at a price equal to the principal amount thereof. For its services as such, the Underwriter is to be paid a fee equal to \$_____, plus \$_____ for certain fees and expenses, but not including the fees and expenses of its counsel. From its fees, the Underwriter will pay certain of its expenses relating to the offering.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer and/or Borrower. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer and/or Borrower.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

In addition to serving as Underwriter, Stifel, Nicolaus & Company, Incorporated has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with any remarketing of the Bonds on the Initial Mandatory Tender Date.

RELATIONSHIP AMONG THE PARTIES

In connection with the issuance of the Bonds, the Issuer, the Borrower and the Underwriter are being represented by the attorneys or law firms identified below under the heading "CERTAIN LEGAL MATTERS." In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower or the Underwriter or their affiliates, in capacities different from those described herein, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of these firms or attorneys to act as bond counsel or represent any of these parties in any future transactions. Potential purchasers of the Bonds should not assume that the Issuer, the Borrower and the Underwriter or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with any affiliates of any of them, and no assurance can be given that there are

or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms.

FINANCIAL ADVISOR

Hilltop Securities Inc. (the “*Financial Advisor*”) has served as a financial advisor to the Issuer for purposes of assisting the Issuer with the development and implementation of the bond program in connection with the Bonds. The Financial Advisor has not been engaged by the Issuer to compile, create or interpret any information in this Official Statement relating to the Issuer, including (without limitation) any of the Issuer’s financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Issuer, any of its affiliates or contractors and any outside parties has not been independently verified by the Financial Advisor, and inclusion of such information is not and should not be construed as a representation by the Financial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm and has not been engaged by the Issuer to review or audit any information in this Official Statement in accordance with accounting standards.

The Financial Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Hilltop Securities Inc. will be acting as the bidding agent for the Eligible Investments to be purchased with moneys deposited in the Special Funds and will be paid a fee of \$[_____] for providing bidding agent services.

RATING

Moody’s Investors Service, Inc. (the “*Rating Agency*”) has assigned to the Bonds the rating set forth on the cover page hereof. The rating reflects only the view of the Rating Agency at the time the rating was issued and an explanation of the significance of such rating may be obtained from the Rating Agency. The rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Bonds.

CERTAIN LEGAL MATTERS

Delivery of the Bonds will be accompanied by the approving legal opinion of the Texas Attorney General to the effect that the Bonds are valid and legally binding obligations of the Issuer under the laws of the State of Texas, payable from the Trust Estate. Certain legal matters relating to the execution and delivery of the Indenture and the Bond Loan Agreement are subject to the approving opinion of Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, Bond

Counsel, which will be furnished at the expense of the Borrower. See “APPENDIX E – PROPOSED FORMS OF OPINIONS OF BOND COUNSEL AND SPECIAL TAX COUNSEL” hereto. Certain legal matters will be passed upon for the Borrower by its counsel, Winthrop & Weinstine, P.A., Minneapolis, Minnesota, for the General Partner by its counsel, Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, and for the Underwriter by its counsel, Norris George & Ostrow, PLLC, Washington, D.C., and by Chapman and Cutler LLP, Chicago, Illinois, disclosure counsel. Chapman and Cutler LLP’s engagement as disclosure counsel did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection with the preparation of this Official Statement. Further, Chapman and Cutler LLP makes no representation as to the suitability of the Bonds for investment by any investor. Compensation for certain of such counsel is contingent upon the issuance of the Bonds.

Chapman and Cutler LLP, in its capacity as Special Tax Counsel, will opine on the date of issuance of the Bonds with regard to the excludability of interest on the Bonds from gross income. See “TAX EXEMPTION” herein. The proposed text of the legal opinion is set forth in “APPENDIX E – PROPOSED FORMS OF OPINIONS OF BOND COUNSEL AND SPECIAL TAX COUNSEL” hereto. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery of the Bonds. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that Special Tax Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date. Special Tax Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or the offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Special Tax Counsel, Chapman and Cutler LLP, has reviewed information under the heading “TAX EXEMPTION.”

In rendering its opinions, Bond Counsel and Special Tax Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel and Special Tax Counsel will not have independently verified.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the legal judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein based upon its review of the law and the facts that it deems relevant and is not a guarantee of a result. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon, or of the future performance of parties to such transaction.

ABSENCE OF LITIGATION

THE ISSUER

It is a condition to the Underwriter's acceptance of the Bonds on the date of delivery that the Issuer deliver a certificate to the effect that there is no litigation pending or, to the knowledge of the Issuer, threatened, against the Issuer that in any way questions or affects the validity of the Bonds or any proceedings or transactions relating to their issuance.

THE BORROWER

It is a condition to the Underwriter's acceptance of the Bonds on the date of delivery that the Borrower deliver a certificate to the effect that there are no legal proceedings pending or, to the Borrower's knowledge threatened, to restrain or enjoin the issuance, sale or delivery of the Bonds or the payment, collection or application of the proceeds thereof or of the revenues and other money and securities pledged or to be pledged under the Indenture or in any way contesting or affecting any authority for or the validity of the Bonds or the Indenture.

CONTINUING DISCLOSURE

The Borrower has undertaken responsibility for any continuing disclosure to Bondholders as described below, and the Issuer will have no liability to the Holders of the Bonds or any other person with respect to such disclosures.

The Borrower will enter into a Continuing Disclosure Agreement dated as of October 1, 2024 (the "*Continuing Disclosure Agreement*") with BOKF, NA, as the Dissemination Agent, obligating the Borrower to send, or cause to be sent, certain financial information with respect to the Project to certain information repositories annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board, if any, of certain enumerated events for the benefit of the Beneficial Owners and Holders of any of the Bonds, in order to allow the Underwriter to meet the requirements of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (the "*Rule*"). See "APPENDIX F — FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Because the Borrower is a new entity established to acquire, construct and operate the Project, it has not previously entered into any undertakings similar to the Continuing Disclosure Agreement. For certain projects, certain affiliates of the Borrower have failed to comply with certain undertakings under the Rule during the five-year period prior to the date of this Official Statement, including instances of failure to file financial and/or operating data. A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Loan Agreement (although Holders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the

secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

MISCELLANEOUS

The foregoing summaries and explanations do not purport to be comprehensive, and are expressly made subject to the exact provisions of documents referred to herein. Copies of the Indenture and the Loan Agreement may be obtained from the Trustee or, during the initial marketing of the Bonds, the Underwriter. Any statements in this Official Statement involving matters of opinion or forecast, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement among the Issuer, the Borrower, or the Underwriter and the purchasers or Holders of any Bonds.

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The execution and delivery of this Official Statement and the incorporation of the appendices hereto have been duly authorized by the Borrower.

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

By: [____], a [____],
its General Partner

By: _____
Name: _____
Title: _____

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

“*Act*” means the Texas Public Facility Corporation Act, Chapter 303, Texas Local Government Code, as amended.

“*Act of Bankruptcy*” means written notice to the Trustee that the Borrower has become insolvent or has failed to pay its debts generally as such debts become due or has admitted in writing its inability to pay any of its indebtedness or has consented to or has petitioned or applied to any court or other legal authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or that any such trustee, receiver, liquidator or similar official has been appointed or that a petition in bankruptcy, insolvency, reorganization or liquidation proceedings (or similar proceedings) has been instituted by or against the Borrower; *provided* that, if in the case of an involuntary proceeding, such proceeding is not dismissed within 90 days after commencement thereof.

“*Additional Payments*” means the amounts required to be paid by the Borrower pursuant to the Loan Agreement.

“*Administrative Expenses*” means the Ordinary Trustee Fees and Expenses and the Dissemination Agent Fee.

“*Affiliate*” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“*Authorized Borrower Representative*” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person’s authority to act in such capacity. The initial Authorized Borrower Representatives are [the President of the sole member of the General Partner] and Neal Route with the Special Limited Partner.

“*Bankruptcy Code*” means Title 11 of the United States Code entitled “*Bankruptcy*,” as in effect now and in the future, or any successor statute.

“*Beneficial Owner*” means with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“*Beneficial Ownership Interest*” means the right to receive payments and notices with respect to the Bonds held in a Book-Entry System.

“*Bond Counsel*” means [nationally recognized bond counsel selected by the Issuer and initially means Bickerstaff Heath Delgado Acosta LLP].

“*Bond Documents*” means, collectively, the Indenture, the Loan Agreement, the Note, the Tax Regulatory Agreement, the Tax Exemption Agreement and the Project Certificate.

“*Bond Fund*” means the Bond Fund created in the Indenture.

“*Bond Payment Date*” means each Interest Payment Date and any other date Bond Service Charges on the Bonds are due, whether at maturity, Mandatory Tender, upon redemption or acceleration or otherwise.

“*Bond Purchase Agreement*” means the Purchase Contract, dated [____], 2024, among the Underwriter, the Issuer and the Borrower.

“*Bond Resolution*” means the certain resolution relating to the issuance and sale of the Bonds, adopted by the Governing Body on [____], 2024.

“*Bond Service Charges*” means, for any period or payable at any time, the principal of and interest on the Bonds for that period or payable at that time whether due at maturity, Mandatory Tender or upon redemption or acceleration.

“*Bonds*” means the Issuer’s Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024 authorized in the Bond Resolution and the Indenture in an aggregate principal amount not to exceed \$60,815,000*.

“*Book-Entry Form*” or “*Book-Entry System*” means, with respect to the Bonds, a form or system, as applicable, under which (a) physical Bond certificates in fully registered form are issued only to a Depository or its nominee, with the physical Bond certificates “immobilized” in the custody of the Depository and (b) the ownership of book-entry interests in Bonds and Bond Service Charges thereon may be transferred only through a book-entry made by others than the Issuer or the Trustee. The records maintained by others than the Issuer or the Trustee constitute the written record that identifies the owners, and records the transfer, of book-entry interests in those Bonds and Bond Service Charges thereon.

* Preliminary, subject to change.

“*Borrower*” means Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership, and its authorized successors and assigns.

“*Borrower Documents*” means the Financing Documents to which the Borrower is a party.

“*Business Day*” means a day other than a Saturday or a Sunday or any other day on which (a) banking institutions in the City of New York or in the city in which the Designated Office of the Trustee is located is authorized or obligated by law or executive order to be closed, or (b) the New York Stock Exchange is closed.

“*Cash Flow Projection*” means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing, to the satisfaction of the Rating Agency, the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges, the Administrative Expenses, the Issuer’s Administrative Fee and the Rebate Analyst’s Fee, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds; (ii) a proposed remarketing of the Bonds, as provided in the Indenture; (iii) a release of Eligible Funds from the Negative Arbitrage Account, as provided in the Indenture; (iv) the purchase, sale or exchange of Eligible Investments, as provided in the Indenture; and (v) the optional redemption of the Bonds as provided in the Indenture, including in the event that the Trustee intends to sell or otherwise dispose of Eligible Investments prior to maturity or at a price below par.

“*Class B Limited Partner*” means Manor Leased Housing Associates LP I, LLC, a Minnesota limited liability company.

“*Closing Date*” means October 25, 2024.

“*Code*” means the Internal Revenue Code of 1986, as amended and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

“*Collateral Fund*” means the Collateral Fund created in the Indenture.

“*Collateral Payments*” means Eligible Funds paid to the Trustee for the benefit of the Borrower in respect to the repayment of the Loan for deposit into the Collateral Fund pursuant to the Loan Agreement and the Indenture as a prerequisite to the advance of money in the Project Fund.

“*Completion Certificate*” means the certificate attached as an exhibit to the Loan Agreement.

“*Completion Date*” means the date of completion of the Project evidenced in accordance with the requirements of the Loan Agreement.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement dated as of October 1, 2024, between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“*Costs of Issuance*” means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

“*Costs of Issuance Fund*” means the Costs of Issuance Fund created in the Indenture.

“*Depository*” means, with respect to the Bonds, DTC, until a successor Depository shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under a federal law operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of book-entry interests in Bonds and to effect transfers of book-entry interests in Bonds.

“*Designated Office*” means the office of the Trustee at the notice address set forth in the Indenture or, solely for purposes of presentation for transfer, payment or exchange of the Bonds, the designated corporate trust operations or agency office of the Trustee at 1401 McKinney Street, Suite 1000, Houston, Texas 77010, or at such other address as may be specified in writing by the Trustee, as provided in the Indenture.

“*Disbursement Agreement*” means the Loan Disbursement Agreement dated as of the Closing Date, among the Lender, the Trustee, and the Borrower, as amended, supplemented or restated from time to time, relating to the funding of Mortgage Loan advances with the proceeds of the Bonds in exchange for Collateral Payments and the advance of other amounts as set forth therein.

“*Dissemination Agent*” means BOKF, NA, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

“*Dissemination Agent Fee*” means the fee payable to the Dissemination Agent as compensation for its services and the reimbursement to the Dissemination Agent of its expenses in performing its obligations under the Continuing Disclosure Agreement; *provided, however,*

the amount of the Dissemination Agent Fee payable under the Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Dissemination Agent Fee pursuant to the Loan Agreement. Initially, the Dissemination Agent Fee shall be \$[___], annually payable in advance of the Closing Date and each [October] 1 thereafter.

“*DTC*” means The Depository Trust Company (a limited purpose trust company), New York, New York, and its successors or assigns.

“*Eligible Funds*” means, as of any date of determination, any of:

- (a) the proceeds of the Bonds (including any additional amount paid by the Underwriter to the Trustee as the purchase price of the Bonds or otherwise paid upon conversion or optional redemption);
- (b) money received by the Trustee representing advances to the Borrower of proceeds of the Mortgage Loan and proceeds of the Funding Loan;
- (c) remarketing proceeds of the Bonds (including any additional amount paid by the Remarketing Agent to the Trustee as the remarketing price of the Bonds) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer or any Affiliate of either the Borrower or the Issuer);
- (d) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (e) the proceeds of draws by the Trustee on any letter of credit provided to the Trustee for the benefit of the Borrower;
- (f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, *provided* that no Act of Bankruptcy has occurred during such period; and
- (g) investment income derived from the investment of the money described in (a) through (f) above.

“*Eligible Investments*” means any of the following investments that mature (or are redeemable at the option of the Borrower without penalty) at such time or times as to enable

timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

(a) Government Obligations; and

(b) to the extent permitted herein, shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consist solely of direct obligations of the government of the United States of America.

Eligible Investments shall not include the following: (1) any investment with a final maturity or any agreement with a term ending later than the earlier of (i) the current Mandatory Tender Date in effect at the time of investment, and (ii) the Maturity Date (except obligations that provide for the optional or mandatory tender, at par, by the holder of such obligations at any time), and (2) any investment that may be prepaid or called at a price less than its purchase price prior to stated maturity.

“*Event of Default*” means (a) with respect to the Indenture, any of the events described as an Event of Default in the Indenture and (b) with respect to the Loan Agreement, any of the events described as an Event of Default in the Loan Agreement.

“*Expense Fund*” means the Expense Fund created in the Indenture.

“*Extraordinary Issuer Fees and Expenses*” means the fees, expenses and disbursements payable to the Issuer under the Indenture or any other Financing Document for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Loan Agreement.

“*Extraordinary Services*” and “*Extraordinary Expenses*” mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Issuer under the Indenture, the Loan Agreement or any other Financing Document, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, a default or an Event of Default.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an Opinion of Bond Counsel to the effect that such action will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Bonds or other customary exceptions acceptable to the recipient(s) thereof).

“*Federal Tax Status*” means, as to the Bonds, the status of the interest on the Bonds as excludable from gross income for federal income tax purposes (except on any Bond during any period during which it is held by a “substantial user” or “related person” to such a substantial user within the meaning of Section 147(a) of the Code).

“*Financing Documents*” means the Indenture, the Bonds, the Loan Agreement, the Note, the Disbursement Agreement, the Tax Exemption Agreement, the Tax Regulatory Agreement, the Project Certificate, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any other instrument or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof, but excluding the Mortgage Loan Documents and any secondary financing documents, and any documents relating to low income housing tax credit equity.

“*Force Majeure*” means any of the causes, circumstances or events described as constituting Force Majeure in the Loan Agreement.

“*Freddie Mac Seller/Servicer*” means JLL Real Estate Capital, LLC, an Illinois limited liability company.

“*Funding Loan*” means the tax-exempt loan, if originated, evidenced by a note made by the Issuer, and purchased by the Freddie Mac Seller/Servicer, in the maximum principal amount not to exceed \$60,815,000*.

“*General Partner*” means MHPFC TRGP1 LLC, a Texas limited liability company, and its permitted successors and assigns.

“*Governing Body*” means the Board of Directors of the Issuer.

“*Government Obligations*” means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

“*Highest Rating Category*” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, *provided* that such rating shall include but not be below “Aaa” or “Aaa/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

* Preliminary, subject to change.

“*Holder*” or “*Holder of a Bond*” means the Person in whose name a Bond is registered on the Register.

“*Indenture*” means the Trust Indenture dated as of October 1, 2024, between the Issuer and the Trustee, as amended or supplemented from time to time.

“*Independent*” when used with respect to a specified Person means such Person has no specific financial interest direct or indirect in the Borrower or any Affiliate of the Borrower and in the case of an individual is not a director, trustee, officer, partner, member or employee of the Borrower or any Affiliate of the Borrower and in the case of an entity, does not have a partner, director, trustee, officer, member or employee who is a director, trustee, partner, member, officer or employee of any partner or member of the Borrower or any Affiliate of the Borrower.

“*Initial Bond*” means the initial Bond registered by the Texas Comptroller of Public Accounts and subsequently canceled and replaced by a definitive Bond pursuant to the Indenture.

“*Initial Interest Rate*” means ____%.

“*Initial Mandatory Tender Date*” means November 1, 2027*.

“*Interest Payment Date*” means (a) each May 1* and November 1* of each year beginning May 1, 2025*, (b) each Mandatory Tender Date and (c) each Redemption Date. In the case of a payment of defaulted interest, “*Interest Payment Date*” also means the date of such payment established pursuant to the Indenture.

“*Interest Rate*” means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

“*Investor Limited Partner*” means RBC Community Investments, LLC, an Illinois limited liability company, and its permitted successors and assigns.

“*Issuance Fee*” means a fee equal to 50% of the initial aggregate principal amount of the Bonds, which is payable on the Closing Date to the Issuer from funds provided by or on behalf of the Borrower.

“*Issuer*” means the Manor Housing Public Facility Corporation, a nonprofit public facility corporation duly organized and validly existing under the laws of the State of Texas, and particularly the Act.

“*Issuer Fees and Expenses*” means the Extraordinary Issuer Fees and Expenses.

“*Issuer’s Administrative Fee*” means the annual fee of the Issuer in an amount equal to ____% of the initial aggregate principal amount of the Bonds, beginning [October 25], 2024, so

* Preliminary, subject to change.

long as the Bonds are outstanding; *provided, however*, that the Issuer's Administrative Fee due on [October 25, 2024], October [___], 2025 and October [___], 2026 will be paid on the Closing Date to the Issuer from funds provided by or on behalf of the Borrower.

"Lender" means Associated Bank, National Association and the financial institutions that are or may from time to time become parties to the Syndicated Construction Loan Agreement and its successors and assigns.

"Loan" means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

"Loan Agreement" means the Loan Agreement dated as of October 1, 2024, between the Issuer and the Borrower, as amended or supplemented from time to time and assigned by the Issuer to the Trustee, except for the Reserved Rights.

"Loan Payments" means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Note and the Loan Agreement.

"Mandatory Tender" means a tender of the Bonds required by the Indenture.

"Mandatory Tender Date" means (i) the Initial Mandatory Tender Date and (ii) if the outstanding Bonds are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the Remarketing Date following such Remarketing Period.

"Maturity Date" means November 1, 2042*.

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Trustee and the Remarketing Agent.

"Mortgage Loan" means the mortgage loan to be made by the Lender to the Borrower in the principal amount of \$60,815,000*.

"Mortgage Loan Documents" means the mortgage, the mortgage note and all other documents required by the Lender in connection with the Mortgage Loan.

"Negative Arbitrage Account" means the Negative Arbitrage Account of the Bond Fund created in the Indenture.

* Preliminary, subject to change.

“*Note*” means the promissory note of the Borrower, dated as of even date with the Bonds initially issued, in the form attached as an exhibit to the Loan Agreement and in the principal amount of \$60,815,000*, evidencing the obligation of the Borrower to make Loan Payments.

“*Opinion of Bond Counsel*” means an opinion of Bond Counsel or of Special Tax Counsel.

“*Opinion of Counsel*” means an opinion from an attorney or firm of attorneys, acceptable to the Trustee, with experience in the matters to be covered in the opinion.

“*Optional Redemption Date*” means May 1, 2027*, or any Business Day thereafter.

“*Ordinary Services*” and “*Ordinary Expenses*” mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to the Indenture.

“*Ordinary Trustee Fees and Expenses*” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, and for its duties as Dissemination Agent, including, but not limited to (i) the annual administrative fee of the Trustee payable annually in advance on the Closing Date and on each October 1 thereafter while the Bonds are outstanding in an annual amount equal to \$[____], and (ii) the acceptance fee of the Trustee of \$[____] payable on the Closing Date; *provided, however*, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to money withdrawn from the Costs of Issuance Fund and the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to the Loan Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid directly by the Borrower pursuant to the Loan Agreement.

“*Outstanding Bonds*,” “*Bonds outstanding*” or “*outstanding*” as applied to Bonds mean, as of the applicable date, all Bonds which have been authenticated and delivered, or which are being delivered by the Trustee under the Indenture, except:

- (a) Bonds cancelled upon surrender, exchange or transfer, or cancelled because of payment on or prior to that date;
- (b) Bonds, or the portion thereof, for the payment or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee on or prior to that date for that purpose (whether upon or prior to the maturity of those Bonds);
- (c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and

(d) Bonds in lieu of which others have been authenticated under the Indenture. “Person” or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, limited liability companies, public or governmental bodies, other legal entities and natural persons.

“*Project*” means the Tower Road Apartments containing approximately 324 units and located at 12100 Tower Road, Manor, Texas 78653.

“*Project Certificate*” means the Project Certificate, dated the Closing Date, executed by the Borrower in connection with the issuance of the Bonds.

“*Project Costs*” means the costs of the Project specified in the Loan Agreement.

“*Project Fund*” means the Project Fund created in the Indenture.

“*Rating Agency*” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns, and initially means Moody’s so long as Moody’s is rating the Bonds.

“*Rating Category*” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Eligible Investment.

“*Rebate Analyst*” means Hilltop Securities Asset Management, LLC or any other rebate analyst selected by the Issuer and reasonably acceptable to the Borrower.

“*Rebate Analyst’s Fee*” means the fee payable by the Borrower annually in advance to the Rebate Analyst on each January 1 in the amount of \$[_____], commencing, on January 1, 2025, so long as the bonds are outstanding.

“*Rebate Fund*” means the Rebate Fund created in the Indenture.

“*Redemption Date*” means any date on which Bonds are to be redeemed pursuant to the Indenture.

“*Register*” means the books kept and maintained by the Trustee for registration and transfer of Bonds pursuant to the Indenture.

“*Regulations*” means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“*Remarketing Agent*” means initially Stifel, Nicolaus & Company, Incorporated, and any successor Remarketing Agent that may be appointed by the Borrower.

“Remarketing Agreement” means the Remarketing Agreement dated as of October 1, 2024, between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

“Remarketing Date” means the date on which the Bonds are initially remarketed and, if the outstanding Bonds on such date or on any subsequent Remarketing Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Remarketing Period” means the period beginning on a Remarketing Date and ending on the last day of the term for which Bonds are remarketed pursuant to the Indenture or the final Maturity Date of the Bonds, as applicable.

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund created in the Indenture.

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then outstanding from and including the Mandatory Tender Date to, but not including, the immediately succeeding Mandatory Tender Date or the Maturity Date, as applicable.

“Reserved Rights” of the Issuer means (a) all of the Issuer’s right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts payable to it pursuant to the Loan Agreement, including but not limited to the Issuer Fee and Expenses, the Issuance Fee and the Issuer’s Administrative Fee; (c) all rights of the Issuer to receive any Rebate Amount; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent under the Indenture and the other Financing Documents; (e) all rights of the Issuer of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Tax Exemption Agreement and in the Tax Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Tax Regulatory Agreement or the Note, as applicable, regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act, the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Tax Regulatory Agreement or the Note, (4) the maintenance of insurance by the Borrower, (5) no liability of the Issuer to third parties, and (6) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to or modification of the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Tax Regulatory Agreement, and the Note, (h) any and all limitations of the Issuer’s liability and the Issuer’s disclaimers of warranties set forth in the Indenture, the Tax Exemption Agreement, the Tax Regulatory Agreement or the Loan Agreement, and the Issuer’s right to inspect and audit the books, records and permits of the Borrower and the Project, and (i) all enforcement remedies with respect to the foregoing.

“*Revenues*” means (a) the Loan Payments, (b) the Collateral Payments, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Special Funds, and (e) all income and profit from the investment of the foregoing money. The term “Revenues” does not include any money or investments in the Rebate Fund or Additional Payments, or other payments or amounts with respect to the Reserved Rights.

“*S&P*” means S&P Global Ratings, and its successors and assigns, or if it shall for any reason no longer perform the functions of a securities rating agency, then any other nationally recognized rating agency designated by the Borrower and acceptable to the Remarketing Agent.

“*Special Funds*” means, collectively, the Bond Fund, the Project Fund and the Collateral Fund, and any accounts therein, all as created in the Indenture.

“*Special Limited Partner*” means RBC Community Investments Manager II, Inc., a Delaware corporation, and its permitted successors and assigns.

“*Special Record Date*” means, with respect to any Bond, the date established by the Trustee in connection with the payment of overdue interest or principal on that Bond.

“*Special Tax Counsel*” means Chapman and Cutler LLP or other counsel selected by the Issuer and nationally recognized as having an expertise in connection with the excludability of interest on obligations of states and local government units from gross income for federal income tax purposes.

“*Sponsor*” means the City of Manor, Texas.

“*State*” means the State of Texas.

“*Subordinate Bonds*” means the Issuer’s Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024 authorized in the Bond Resolution and the Subordinate Indenture in an aggregate principal amount not to exceed \$4,000,000*.

“*Subordinate Indenture*” means the Subordinate Indenture of Trust dated as of October 1, 2024, between the Issuer and the Trustee, as amended or supplemented from time to time.

“*Subordinate Loan*” means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Subordinate Bonds.

“*Subordinate Loan Agreement*” means the Subordinate Loan Agreement dated as of October 1, 2024, between the Issuer and the Borrower, as amended or supplemented from time to

* Preliminary, subject to change.

time and assigned by the Issuer to the Trustee, except for the Reserved Rights (as defined in the Subordinate Indenture.

“*Subordinate Note*” means the subordinate promissory note of the Borrower, dated as of even date with the Subordinate Bonds initially issued, in the form attached as an exhibit to the Subordinate Loan Agreement and in the principal amount of \$4,000,000*, evidencing the obligation of the Borrower to make Subordinate Loan Payments.

“*Supplemental Indenture*” means any indenture supplemental to the Indenture entered into between the Issuer and the Trustee in accordance with the Indenture.

“*Tax Exemption Agreement*” means the Tax Exemption Certificate and Agreement dated the Closing Date, between the Issuer and the Borrower, as amended or supplemented from time to time.

“*Tax Regulatory Agreement*” means the Regulatory Agreement and Declaration of Restrictive Covenants dated as of October 1, 2024, among the Issuer, the Borrower and the Trustee, as amended or supplemented from time to time.

“*Trust Estate*” means the property rights, money, securities and other amounts pledged and assigned to the Trustee under the Indenture pursuant to the Granting Clauses of the Indenture.

“*Trustee*” means BOKF, NA, a national banking association, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, “Trustee” shall mean the successor Trustee.

“*Underwriter*” means Stifel, Nicolaus & Company, Incorporated, a Missouri corporation.

“*Unredeemed Bonds*” means, on any Mandatory Tender Date, Bonds that are not scheduled to be redeemed pursuant to the Indenture.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Issuer and the Trustee.

CREATION OF FUNDS

The following funds are to be established and maintained by the Trustee under the Indenture:

- (a) the Bond Fund, and therein a Negative Arbitrage Account and a Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such accounts as provided in the Indenture);
- (b) the Project Fund, and therein a Bond Proceeds Account;
- (c) the Costs of Issuance Fund;
- (d) the Collateral Fund;
- (e) the Rebate Fund; and
- (f) the Expense Fund.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in the Indenture. All money deposited in the funds and accounts created under the Indenture shall be used solely for the purposes set forth in the Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee may also terminate funds and accounts that are no longer needed.

The Trustee shall, at the written direction of an Authorized Borrower Representative and may, in its reasonable discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Borrower or the Trustee may reasonably deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture or the Tax Exemption Agreement with respect to a deposit or use of money in the Special Funds or the Rebate Fund, or result in commingling of funds not permitted under the Indenture.

BOND FUND

The Trustee shall deposit in the Remarketing Proceeds Account of the Bond Fund any amounts received from the remarketing of the Unredeemed Bonds. Money in the Remarketing Proceeds Account shall be held exclusively for the payment of the Purchase Price of the Unredeemed Bonds.

So long as there are any outstanding Bonds, to the extent the Borrower has not received a credit against Loan Payments, all Loan Payments under the Loan Agreement shall be paid by the Borrower on or

before each Interest Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the Bond Service Charges due on the Bonds on such Interest Payment Date.

The Bond Fund (and any accounts therein for which provision is made in the Indenture) and the money and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due.

Bond Service Charges shall be payable, as they become due, in the following order (1) from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account of the Bond Fund), (2) next from money on deposit in the Negative Arbitrage Account of the Bond Fund, (3) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, and (4) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Upon receipt by the Trustee of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is authorized by the Indenture to release from the Negative Arbitrage Account the amount set forth in the Cash Flow Projection to or at the written direction of the Borrower.

PROJECT FUND

Upon the deposit of Collateral Payments in the Collateral Fund as provided in the Indenture, and subject to the provisions of this heading, the Trustee may disburse the Bond proceeds on deposit in the Project Fund to or at the direction of the Lender or the Borrower for payment of Project Costs in accordance with the Loan Agreement. To the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is authorized by the Indenture to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and (ii) transfer, from Collateral Payments or other Eligible Funds then deposited in the Collateral Fund, an exact corresponding amount from the Collateral Fund to the Project Fund, which transfer is deemed to be of the proceeds of the sale of the Eligible Investments then allocated from the Project Fund to the Collateral Fund. The Trustee shall be irrevocably and unconditionally obligated to (i) disburse

from the Project Fund an amount equal to the amount deposited to the Collateral Fund to or at the written direction of the Lender or Borrower, as applicable, or (ii) return to the Lender or the Borrower, as applicable, the amount deposited in the Collateral Fund, within one Business Day of receipt of such deposit. To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to pay Bond Service Charges on each Interest Payment Date without further written direction.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If requested by the Issuer, the Investor Limited Partner or the Borrower, after the Project has been completed and a Completion Certificate is filed as provided in the Indenture, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer, the General Partner and the Investor Limited Partner. The Trustee shall satisfy this obligation by providing trust statements for all periods in which there are funds in the Project Fund through its online portfolio system.

Notwithstanding any provision of the Loan Agreement or any other provision of the Indenture to the contrary and except to make necessary interest payments, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Collateral Payments or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to the extent necessary to pay Bond Service Charges), the Trustee shall determine that the aggregate principal amount that will be held in (a) the Collateral Fund and (b) the Project Fund, after the anticipated disbursement, is at least equal to the then-outstanding principal amount of the Bonds.

On any Redemption Date, the Trustee shall, at the written direction of an Authorized Borrower Representative, transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to the Indenture, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

COLLATERAL FUND

The Trustee is to deposit in the Collateral Fund all Collateral Payments received pursuant to the Loan Agreement and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund. The Loan Agreement requires the Borrower to cause the Collateral Payments to be paid to the Trustee for deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, amounts on deposit in the Project Fund to be disbursed by the Trustee to pay Project Costs.

Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions of the Indenture.

The Trustee is to transfer money in the Collateral Fund as follows: (a) on each Bond Payment Date, to the Bond Fund, the amount necessary to pay Bond Service Charges due on such Bond Payment Date to the extent required by the fifth paragraph of “Bond Fund” above; (b) on the Mandatory Tender Date, if the Unredeemed Bonds are to be redeemed pursuant to the Indenture, to the Bond Fund, the amount necessary to pay the redemption price of such Bonds on such date, and (c) on the Maturity Date of the Bonds, to the Bond Fund the amount necessary to pay all amounts due on the Bonds on such date.

On any Redemption Date, the Trustee will transfer all amounts then on deposit in the Collateral Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds may be transferred to the Project Fund and used to pay costs of the Project as provided in the Loan Agreement.

The Bonds shall not be, and shall not be deemed to be, paid or prepaid by reason of any deposit into the Collateral Fund unless and until the amount on deposit in the Collateral Fund is transferred to the Bond Fund and applied to the payment of the principal of any of the Bonds, or the principal component of the redemption price of any of the Bonds, all as provided in the Indenture.

Notwithstanding anything in the Indenture to the contrary, on or before the Initial Mandatory Tender Date, the Freddie Mac Seller/Servicer may deliver, or cause to be delivered, to the Trustee, Eligible Funds for deposit into the Collateral Fund, and upon receipt, the Trustee shall release other Eligible Funds on deposit in the Collateral Fund, in an amount equal to the Eligible Funds delivered by the Freddie Mac Seller/Servicer for deposit thereto, to the Lender or as otherwise directed by the Freddie Mac Seller/Servicer.

REBATE FUND

The Rebate Fund is created for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation, the Issuer or the Holders of the Bonds. The Rebate Fund is established for the purpose of complying with Section 148 of the Code. The money deposited in the Rebate Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in the Tax Exemption Agreement. The Rebate Fund is not a portion of the Trust Estate and is not subject to any lien under the Indenture. Notwithstanding the foregoing, the Trustee is afforded all the rights, protections and immunities otherwise accorded to it under the Indenture.

INVESTMENT OF SPECIAL FUNDS

Except as otherwise set forth in this heading, money in the Special Funds shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of an Authorized Borrower Representative, and money in the Rebate Fund shall be invested and reinvested by the Trustee as provided in the Tax Exemption Agreement. The Trustee shall have no discretion for investing funds or advising any parties on investing funds. The Trustee may

conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments. In the absence of written directions of an Authorized Borrower Representative as provided above, the Trustee shall be required to invest such funds in Eligible Investments as per the terms of the Indenture. At no time shall the Borrower direct that any funds constituting Gross Proceeds (as defined in the Tax Exemption Agreement) of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code, all as set forth in the Tax Exemption Agreement.

Investments of money in the Bond Fund and the Collateral Fund shall mature or be redeemable at the times and in the amounts necessary to provide money to pay Bond Service Charges on the Bonds as they become due on each Bond Payment Date. Each investment of money in the Project Fund shall mature or be redeemable at the times and in the amounts as may be necessary to make anticipated payments from the Project Fund. Any of those investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association that is an Affiliate of the Trustee. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable under the Indenture to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order.

The Trustee is permitted to invest in Eligible Investments that mature on or before the Initial Mandatory Tender Date but is not permitted to sell or otherwise dispose of such Eligible Investments prior to maturity at a price below par without first receiving from the Borrower, at the Borrower's Expense, (i) a Cash Flow Projection and (ii) Eligible Funds (excluding, however, proceeds of the Bonds), if any, as set forth in the Cash Flow Projection.

An investment made from money credited to the Special Funds shall constitute part of that respective Special Fund. All investment earnings from amounts on deposit in the Special Funds shall be allocated to the Negative Arbitrage Account of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Special Funds shall be credited to and become part of the Special Fund from which the investment was made. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. Any investment losses from moneys credited to a Special Fund shall be charged against that Special Fund. The Trustee shall not be liable for losses, including depreciation of value, on investments or the sale of investments made in compliance with the provisions of the Indenture.

Ratings of Eligible Investments shall be determined at the time of purchase of such Eligible Investments and without regard to ratings subcategories.

Subject to the following sentence, investments shall be sold at the best price obtainable (at least par) whenever it shall be necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from the applicable Special Fund. Prior to the Initial Mandatory Tender Date, at the direction of the Borrower, the Trustee is permitted to invest in Eligible Investments that mature on or before the Initial Mandatory Tender Date but is

not permitted to sell or otherwise dispose of such Eligible Investment prior to maturity at a price below par without first receiving a Cash Flow Projection.

Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the Negative Arbitrage Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

DEFAULTS; EVENTS OF DEFAULT

Each of the following is an “Event of Default” under the Indenture:

(a) Payment of any interest on any Bond is not made when and as that interest becomes due and payable;

(b) Payment of the principal of any Bond is not made when and as that principal becomes due and payable, whether at stated maturity, Mandatory Tender, upon redemption, acceleration or otherwise;

(c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed as contained in the Indenture or in the Bonds, which failure has continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer and the Borrower specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Controlling Holders; and

(d) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

The term “*default*” or “*failure*” as used above means (i) a default or failure by the Issuer in the observance or performance of any of the covenants, agreements or obligations on its part to be observed or performed contained in the Indenture or in the Bonds, or (ii) a default or failure by the Borrower under the Loan Agreement, exclusive of any period of grace or notice required to constitute an Event of Default, as provided above or in the Loan Agreement.

Anything in the Indenture to the contrary notwithstanding, the Investor Limited Partner shall have the cure rights set forth under the heading “Acceleration” below.

ACCELERATION

Upon the occurrence of an Event of Default described in (a) or (b) under the heading “Events of Default” above, the Trustee may, and upon the written request of the Controlling Holders shall, subject to the terms of the Indenture, by written notice delivered to the Borrower and the Issuer, declare the principal of all Bonds then outstanding (if not then due and payable),

and the interest accrued thereon, to be due and payable immediately; *provided, however*, that the Trustee is to make such declaration only if the Trustee has determined that it will have sufficient funds available to pay (not out of the Trustee's own funds) the full amount of the principal and accrued but unpaid interest to the Holders of the Bonds as of the date of acceleration. If the Trustee is unable to determine that sufficient funds will be available, the Trustee nonetheless is to declare the principal of the Bonds immediately due and payable, but only upon the written direction of Holders of a majority of the Bonds then outstanding. Upon the occurrence and during the continuance of any Event of Default other than those described in (a) and (b) under the heading "Events of Default" above, the Trustee may, and upon written consent of all Holders of Bonds then outstanding, shall declare by a notice in writing delivered to the Borrower, the principal of all Bonds then outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, that principal and interest shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; *provided* that interest on any unpaid principal of Bonds outstanding will continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

The provisions described in the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the Issuer and the Borrower),

(i) all sums payable under the Indenture (except the principal of and interest on Bonds that have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds shall have been duly paid or provision has been duly made therefor by deposit with the Trustee, and

(ii) all existing Events of Default have been cured,

then and in every case, the Trustee is to waive the Event of Default and its consequences and rescind and annul that declaration. No waiver or rescission and annulment will extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Limited Partner shall be entitled (but not obligated) to cure any Event of Default under the Indenture within the time frame provided to the Borrower under the Indenture. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

OTHER REMEDIES; RIGHTS OF HOLDERS

With or without taking action described under the heading "Acceleration" above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or in equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or

obligation under the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Tax Regulatory Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Controlling Holders, the Trustee (subject to the provisions of the Indenture), is to exercise any rights and powers conferred by the Indenture.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by the Indenture is intended to be exclusive of any other remedy. Each remedy is to be cumulative and in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Holders now or hereafter existing, *provided* that the only remedy enforceable against the Issuer shall be for specific performance of its covenants under the Indenture.

No delay in exercising or omission to exercise any remedy, right or power accruing upon any default or Event of Default is to impair that remedy, right or power or is to be construed to be a waiver of any default or Event of Default or acquiescence therein. Every remedy, right and power may be exercised from time to time and as often as may be deemed to be expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Holders, is to extend to or is to affect any subsequent default or Event of Default or is to impair any remedy, right or power consequent thereon.

As the assignee of all right, title and interest of the Issuer in and to the Loan Agreement (except for the Reserved Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Issuer under the Loan Agreement (other than with respect to the Reserved Rights). In exercising any remedy, right or power under the Indenture or the Loan Agreement, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in the Indenture.

Nothing in the Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding without the approval of the Holders so affected.

RIGHT OF HOLDERS TO DIRECT PROCEEDINGS

Anything to the contrary in the Indenture notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then outstanding will have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture; *provided*, that (i) any direction is not to be other than in accordance with the provisions of law and of the Indenture, (ii) the Trustee is indemnified as provided in the Indenture, and (iii) the Trustee may take any other action that it deems to be proper and that is not inconsistent with the direction.

APPLICATION OF MONEY

If at any time after the occurrence of an Event of Default, the money held by the Trustee under the Indenture (other than amounts in the Rebate Fund) is not sufficient to pay the principal of and interest on the Bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of remedies in the Indenture or otherwise, is to be applied by the Trustee as described below.

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all fees of the Trustee for Ordinary Trustee Fees and Expenses and Extraordinary Trustee Fees and Expenses pursuant to any right given or action taken under the provisions of the Indenture or the provisions of the Financing Documents (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Indenture), all money received by the Trustee is to be applied as follows, subject to the provisions of the Indenture:

(a) Unless the principal of all of the Bonds has become, or has been declared to be, due and payable, all of such money is to be deposited in the Bond Fund and applied:

First -- To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and, if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second -- To the payment to the Holders entitled thereto of the unpaid principal of any of the Bonds that has become due, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they became due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds has become due or has been declared to be due and payable pursuant to the Indenture, all of such money is to be deposited into the Bond Fund and applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any

discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds has been declared to be due and payable, and if that declaration thereafter has been rescinded and annulled, subject to the provisions of paragraph (b) above in the event that the principal of all of the Bonds becomes due and payable later, money on deposit in the Bond Fund is to be applied in accordance with the provisions of the Indenture.

(d) Whenever money is to be applied pursuant to the provisions described under this subcaption, such money is to be applied at such times, and from time to time, as the Trustee determines, having due regard to the amount of money available for application and the likelihood of additional money becoming available for application in the future. Whenever the Trustee directs the application of such money, it is to fix the date upon which the application is to be made, and upon that date, interest is to cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee is to give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee will not be required to make payment of principal of a Bond to the Holder thereof until the Bond is presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

RIGHTS AND REMEDIES OF HOLDERS

A Holder does not have any right to institute any suit, action or proceeding for the enforcement of the Indenture, for the execution of any trust under the Indenture, or for the exercise of any other remedy under the Indenture, unless:

(a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture, or of which it is deemed to have notice under the Indenture,

(b) the Controlling Holders shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name, and have offered indemnity to the Trustee as provided in the Indenture, and

(c) the Trustee thereafter has failed or refused to exercise the remedies, rights and powers granted under the Indenture or to institute the suit, action or proceeding in its own name.

At the option of the Trustee, that notification (or notice), request, opportunity and offer of indemnity are conditions precedent, in every case, to the institution of any suit, action or proceeding described above.

No one or more Holders of the Bonds will have any right to affect, disturb or prejudice in any manner whatsoever the security or benefit of the Indenture by its or their action, or to enforce, except in the manner provided therein, any remedy, right or power under the Indenture. Any suit, action or proceedings are to be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Holders of all Bonds then outstanding. Nothing in the Indenture is to affect or impair, however, the right of any Holder to enforce the payment of the Bond Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

WAIVERS OF EVENTS OF DEFAULT

Except as described below, at any time, in its discretion, the Trustee may waive any Event of Default under the Indenture and its consequences and may rescind and annul any declaration of maturity of principal of or interest on, the Bonds. The Trustee must do so upon the written request of the Controlling Holders.

There is not to be so waived, however, any Event of Default described in (a) or (b) under “—Events of Default” above or any declaration of acceleration in connection therewith rescinded or annulled, unless, at the time of that waiver or rescission and annulment, payments of the amounts provided in the Indenture for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default have been discontinued, abandoned or determined adversely to it, the Issuer, the Trustee and the Holders are to be restored to their former positions and rights under the Indenture, respectively. No waiver or rescission is to extend to any subsequent or other Event of Default or impair any right consequent thereon.

SUPPLEMENTAL INDENTURES NOT REQUIRING CONSENT OF HOLDERS

Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into Supplemental Indentures for any one or more of the following purposes:

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) to assign additional revenues under the Indenture;
- (d) to accept additional security and instruments and documents of further assurance with respect to the Project;
- (e) to add to the covenants, agreements and obligations of the Issuer under the Indenture, other covenants, agreements and obligations to be observed for the protection

of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture;

(f) to evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Loan Agreement and the Bonds;

(g) to facilitate (i) the transfer of Bonds held in Book Entry Form from one Depository to another and the succession of Depositories, or (ii) the withdrawal of Bonds delivered to a Depository for use in a Book Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a Depository;

(h) to permit the Trustee to comply with any obligations imposed upon it by law;

(i) to specify further the duties and responsibilities of the Trustee; and

(j) to achieve compliance of the Indenture or the Bonds with any applicable federal securities or income tax law.

The provisions of paragraphs (h) and (j) shall not be deemed to constitute a waiver by the Trustee, the Issuer or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to the Indenture or the Bonds.

SUPPLEMENTAL INDENTURES REQUIRING CONSENT OF HOLDERS

Exclusive of Supplemental Indentures described above and subject to the terms, provisions and limitations described below, and not otherwise, with the consent of the Controlling Holders, evidenced as provided in the Indenture, and with the consent of the Borrower and the Investor Limited Partner (if required by the Indenture), the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in the Indenture is to permit, however, or be construed as permitting,

(a) without the consent of the Holder of each Bond so affected: (i) an extension of the maturity of the principal of or the interest on any Bond, or (ii) a reduction in the principal amount of any Bond or the rate of interest thereon, or

(b) without the consent of the Holders of all Bonds then outstanding, (i) the creation of a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (ii) a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

If the Issuer requests that the Trustee execute and deliver any Supplemental Indenture for any of the purposes described under this subcaption, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by the Indenture, receipt of the Borrower's consent to the proposed execution and delivery of the Supplemental Indenture, the Trustee is to cause notice of the proposed execution and delivery of the Supplemental Indenture to be mailed by first-class mail, postage prepaid, to all Holders of Bonds then outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

The Trustee will not be subject to any liability to any Holder by reason of the Trustee's failure to mail, or the failure of any Holder to receive, the notice described above. Any failure of that nature will not affect the validity of the Supplemental Indenture when there has been consent thereto as described above. The notice is to set forth briefly the nature of the proposed Supplemental Indenture and state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Controlling Holders (which instrument or document or instruments or documents refer to the proposed Supplemental Indenture in the form described in the notice and specifically consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder has consented thereto.

Any consent will be binding upon the Holder of the Bond giving the consent and, anything in the Indenture to the contrary notwithstanding, upon any subsequent Holder of that Bond and of any Bond issued in exchange therefor (regardless of whether the subsequent Holder has notice of the consent to the Supplemental Indenture). A consent may be revoked in writing, however, by the Holder who gave the consent or by a subsequent Holder of the Bond by a revocation of such consent received by the Trustee prior to the execution and delivery by the Trustee of the Supplemental Indenture. At any time after the Holders of the required percentage of Bonds have filed their consents to the Supplemental Indenture, the Trustee is to make and file with the Issuer a written statement that the Holders of the required percentage of Bonds have filed those consents. That written statement will be conclusive evidence that the consents have been so filed.

If the Holders of the required percentage in aggregate principal amount of Bonds outstanding shall have consented to the Supplemental Indenture, as described above, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

CONSENT OF THE BORROWER

Anything contained in the Indenture to the contrary notwithstanding, any Supplemental Indenture executed and delivered in accordance with the Indenture that affects in any material respect any rights or obligations of the Borrower shall not become effective unless and until the Borrower has consented in writing to the execution and delivery of that Supplemental Indenture; *provided, however*, that no consent shall be required if the Borrower is the source of an Event of Default under the Loan Agreement.

DEFEASANCE

Release of Indenture. If (a) all of the outstanding Bonds are paid and discharged, or if there otherwise shall be paid to the Holders of the outstanding Bonds, all Bond Service Charges due or to become due thereon, and (b) provision also shall be made for the payment of all other sums payable under the Indenture or the Loan Agreement, the Tax Regulatory Agreement, the Tax Exemption Agreement and the Note, then the Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to “Payment and Discharge of Bonds” below), and the covenants, agreements and obligations of the Issuer under the Indenture shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of the Indenture if applicable,

(a) the Trustee shall release the Indenture (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to “Payment and Discharge of Bonds” below), and shall execute and deliver to the Issuer any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer, and

(b) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of the Indenture which then may be in its possession, except amounts in the Bond Fund required (i) to be paid to the Borrower under the Indenture, or (ii) to be held by the Trustee under the Indenture or otherwise for the payment of Bond Service Charges.

Payment and Discharge of Bonds. All or any part of the Bonds will be deemed to have been paid and discharged within the meaning of the Indenture if:

(a) the Trustee as paying agent has received, in trust for and irrevocably committed thereto, sufficient Eligible Funds, or

(b) the Trustee has received, in trust for and irrevocably committed thereto, noncallable Government Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any Eligible Funds to which reference is made in subparagraph (a) above, without further

investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment of all Bond Service Charges on those Bonds at their maturity, or their redemption date, as the case may be.

Any money so held by the Trustee in accordance with the provisions of this section may be invested by the Trustee at the written direction of the Borrower only in noncallable Government Obligations having maturity dates, or having redemption dates which, at the option of the owner of those obligations, shall be not later than the date or dates at which money will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments so held is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for such purposes, that income, interest or increment is to be transferred at the time of that determination in the manner provided in the Indenture for transfers of amounts remaining in the Bond Fund upon the written direction of the Borrower.

If any Bonds shall be deemed paid and discharged pursuant to this heading, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice prepared by the Borrower to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall (i) state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged, and (ii) set forth a description of the obligations held pursuant to subparagraph (b) of the first paragraph of this heading.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Loan Agreement, copies of which are on file with the Issuer and the Trustee.

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

To provide funds to make the Loan for purposes of assisting the Borrower in paying Project Costs, the Issuer will simultaneously with the execution and delivery of the Loan Agreement proceed with the issuance, sale and delivery of the Bonds upon receipt by the Trustee of the items listed in the Indenture Underwriter. Under the Loan Agreement, the Issuer agrees the proceeds of sale of the Bonds will be deposited in accordance with the Indenture.

The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption, mandatory tender and remarketing pursuant to and as set forth in the Indenture. Under the Loan Agreement, the Borrower approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower were a party to the Indenture. The Borrower has agreed to perform fully and faithfully all the duties and obligations which the Issuer has covenanted and agreed to in the Indenture to cause the Borrower to perform.

Pending disbursement pursuant to the Loan Agreement, the proceeds of the Bonds deposited in the Project Fund, together with any investment earnings thereon, shall constitute a part of the Revenues assigned by the Issuer to the Trustee as security for the payment of Bond Service Charges as provided in the Indenture.

DISBURSEMENTS FROM THE PROJECT FUND

Subject to the provisions below and so long as no Event of Default under the Loan Agreement has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to the Loan Agreement and the Indenture, disbursements from the Project Fund shall be made only to pay any of the following Project Costs:

- (a) Costs incurred directly or indirectly for or in connection with the acquisition, construction, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work.

- (b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.
- (c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction period.
- (d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.
- (e) Subject to the limitations set forth in the Tax Exemption Agreement, Costs of Issuance of the Bonds, including, financial, legal, accounting, cash flow verification, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under the Indenture that may become due and payable during the construction period.
- (f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, improvement and equipping of the Project.
- (g) Payment of interest on the Bonds during the construction period.
- (h) Subject to reallocation for federal income tax purposes as described in the Tax Exemption Agreement, payment of interest on the Mortgage Loan.

Any disbursements from the Project Fund for the payment of Project Costs shall be made by the Trustee only upon, but within five (5) days of, the receipt by the Trustee of: (a) a disbursement request in the form attached to the Loan Agreement as an exhibit, on which the Trustee may conclusively rely; and (b) Collateral Payments in an amount equal to the amount of any such disbursement request for deposit in the Collateral Fund as provided in the Loan Agreement. The Borrower acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered and accompanied by a copy of the approval of the Lender of the payments or reimbursements requested. Proceeds of the Bonds disbursed pursuant to the provisions of the Loan Agreement may only be used to pay those Project Costs identified in the sources and uses of funds attached to the Loan Agreement as an exhibit, as it may be amended pursuant to the agreement of the Lender and the Borrower.

Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Issuer in connection with the issuance of the Bonds as required by Section 149(e) of the Code, and in the notice of public hearing pertaining to the Bonds shall be accompanied by an Opinion of Bond Counsel to the effect that such disbursement will not adversely affect the Federal Tax Status of the Bonds.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the Project Costs, at the direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund for payment of Bond Service Charges.

Notwithstanding any provision of the Loan Agreement or any provision of the Indenture to the contrary, the Trustee shall not disburse funds from the Project Fund unless and until the Trustee confirms that Eligible Funds in the Collateral Fund plus Eligible Funds in the Project Fund, less the amount of the requested disbursement from the Project Fund, is at least equal to then-outstanding principal amount of the Bonds; *provided, however*, the Trustee shall be permitted to transfer funds from the Project Fund to the Collateral Fund upon the direction of the Borrower in the form set forth on an exhibit attached to the Loan Agreement, *provided* that the result of such transfer is that the amount of Eligible Funds remaining on deposit in the Project Fund plus Eligible Funds on deposit in the Collateral Fund is at least equal to then outstanding principal amount of the Bonds.

LOAN REPAYMENT; DELIVERY OF NOTE

In consideration of and in repayment of the Loan, the Borrower shall deliver or cause to be delivered to the Trustee one Business Day prior to each Bond Payment Date, a Loan Payment in an amount equal to the amount necessary to pay Bond Service Charges due on such Bond Payment Date. All such Loan Payments shall be paid to the Trustee in accordance with the terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and the Loan Agreement.

The Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the available money in the Bond Fund or transferred thereto from the Collateral Fund or the Project Fund for the payment of Bond Service Charges on that date.

To secure the Borrower's performance of its obligations under the Loan Agreement, the Borrower shall execute and deliver, concurrently with the issuance and delivery of the Bonds, the Note, the Tax Exemption Agreement, the Tax Regulatory Agreement and the Project Certificate.

So long as no Event of Default has occurred and is continuing under the Loan Agreement, payments by the Borrower on the Note shall be used by the Trustee to make a like payment of Bond Service Charges and shall constitute Loan Payments.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any or all Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be canceled by the Trustee and surrendered to the Borrower.

COLLATERAL PAYMENTS

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall cause the delivery of Collateral Payments equal to the amount of the proposed disbursement by the Trustee on or before each such disbursement. All such Collateral Payments shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture. Any such Collateral Payment amounts shall be provided to the Trustee pursuant to a disbursement request executed by the Borrower and approved in writing by the Lender (which approval shall not be unreasonably withheld, conditioned or delayed), and the Trustee shall not be responsible for computing amounts under this section.

ASSIGNMENT OF AGREEMENT AND REVENUES; TRUSTEE IS THIRD PARTY BENEFICIARY

To secure the payment of Bond Service Charges, the Issuer will assign to the Trustee, by the Indenture, its rights under and interest in the Loan Agreement (except for the Reserved Rights). In the Loan Agreement, the Borrower agrees and consents to those assignments. To the extent within its control, the Issuer has agreed in the Loan Agreement that it will not attempt to further assign, transfer or convey its interest in the Revenues or the Loan Agreement or create any pledge or lien of any form or nature with respect to the Revenues, Loan Payments or Collateral Payments under the Loan Agreement.

The Trustee shall be a third-party beneficiary of the Loan Agreement.

BORROWER'S OBLIGATIONS UPON TENDER OF BONDS

If any Unredeemed Bond is not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Special Funds for the purpose of paying the redemption price of the Bonds pursuant to the Indenture, the Borrower will cause to be paid to the Trustee as set forth in the Indenture Eligible

Funds equal to the amount by which the redemption price of the Bonds exceeds the amount otherwise available pursuant to the Indenture.

EVENTS OF DEFAULT

Each of the following shall be an "*Event of Default*" under the Loan Agreement:

(a) The Borrower shall fail to pay any Loan Payment on or prior to the date on which that Loan Payment is due and payable to the extent amounts on deposit in the Bond Fund, including amounts credited as paid and/or transferred from the Collateral Fund and the Project Fund, are insufficient to pay the Bond Service Charges due on such date;

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in the Loan Agreement and the continuation of such failure for a period of 30 days after written notice thereof has been given to the Borrower by the Issuer or the Trustee, or for such longer period as the Issuer (with respect to the Reserved Rights) and the Trustee may agree to in writing; *provided*, that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure will not constitute an Event of Default so long as the Borrower or the Investor Limited Partner institutes curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) The Borrower shall: (i) admits in writing its inability to pay its debts generally as they become due; (ii) has an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect, which is not dismissed within ninety (90) days; (iii) commences a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or has such a proceeding commenced against it and either has an order of insolvency or reorganization entered against it or has the proceeding remain undismissed and unstayed for ninety (90) days; (iv) makes an assignment for the benefit of creditors; or (v) has a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of ninety (90) days;

(d) Any representation or warranty made by the Borrower in the Loan Agreement or any statement in any report, certificate, financial statement or other instrument furnished in connection with the Loan Agreement or with the purchase of the Bonds at any time proves to have been false or misleading in any adverse material respect when made or given; and

(e) There shall occur an “*Event of Default*” as defined in the Indenture.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition of the Loan Agreement which would give rise to an Event of Default under subsection (b) above, the Borrower will not be deemed in default during the continuance of such inability. However, the Borrower is to promptly give notice to the Trustee and the Issuer of the existence of an event of Force Majeure and is to use commercially reasonable efforts to remove the effects thereof; *provided* that the settlement of strikes or other industrial disturbances shall be entirely within its discretion.

The term Force Majeure means, without limitation, the following:

(i) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people;

explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; or partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

(ii) any cause, circumstance or event not reasonably within the control of the Borrower.

The declaration of an Event of Default described under subsection (c) above, and the exercise of remedies upon any such declaration, will be subject to any applicable limitations of federal or state bankruptcy, insolvency, reorganization or similar law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, insolvency, liquidation or reorganization proceedings. The Investor Limited Partner shall have the right, but not the obligation, to cure defaults thereunder in the same manner as Borrower.

AMENDMENTS AND SUPPLEMENTS

Except as otherwise expressly provided in Loan Agreement or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the Indenture having been met, the Loan Agreement, the Tax Exemption Agreement, the Tax Regulatory Agreement and the Note may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture, as applicable.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT

The following is a summary of certain provisions of the Tax Regulatory Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Tax Regulatory Agreement, copies of which are on file with the Issuer and the Trustee.

TERM OF RESTRICTIONS

(a) *Occupancy Restrictions:* The term of the Occupancy Restrictions set forth in the Tax Regulatory Agreement (the “*Occupancy Restrictions*”) with respect to the Project shall commence on the date the Development is acquired and end with respect to the Project on the latest of the date (i) which is fifteen (15) years after the date on which the Project was acquired by the Borrower, (ii) which is the first day on which the Bonds or other tax-exempt private activity bonds (as defined in Section 141(a) of the Code) or similar tax-exempt financing instrument issued with respect to the Project are not outstanding (including any refunding of any such obligations) or (iii) on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates (which Occupancy Restrictions period is hereinafter referred to as the “Qualified Project Period” for the Project).

(b) *Rental Restrictions:* The Rental Restrictions set forth in the Tax Regulatory Agreement (the “*Rental Restrictions*”) with respect to the Project shall remain in effect during the Qualified Project Period for the Project set forth in paragraph (a) of this section.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, the Tax Regulatory Agreement and all other restrictions thereunder shall cease to apply in the event of an involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the date of issue of the Bonds which prevents the Trustee from enforcing the provisions of the Tax Regulatory Agreement, or condemnation or similar event, *provided* that within a reasonable time period either (i) the Bonds is retired; or (ii) any insurance proceeds or condemnation award or other amounts received as a consequence of such event are used to provide a project which meets the requirements of Section 142 of the Code and applicable Regulations, or any successor law or regulation. However, the provisions of this paragraph shall cease to apply (and the provisions of paragraphs (a) and (b) above shall apply for the remainder of the Qualified Project Period) in the event of foreclosure, transfer of title by deed in lieu of foreclosure, or similar event if, at any time subsequent to such event and during the Qualified Project Period, the Borrower or any transferee or assignee of the Project or a related person to any of the foregoing (as defined in Section 147(a)(2) of the Code) (a “*Related Person*”) obtains an ownership interest in the Project for federal tax purposes.

(d) The Tax Regulatory Agreement shall terminate with respect to the Project upon the earlier of (i) termination of the Occupancy Restrictions and the Rental Restrictions, as provided in paragraphs (a) and (b) of this section for the Project, or (ii) termination pursuant to the

provisions of paragraph (c) of this section for the Project or (iii) delivery to the Issuer, the Borrower and the Trustee of an opinion of a nationally recognized municipal bond counsel (“*Bond Counsel*”) in form and substance satisfactory to the Issuer to the effect that continued compliance with the Rental Restrictions and the Occupancy Restrictions for the Project is not required in order for interest on the Bonds to remain excludable from gross income of the owners of the Bonds for federal income tax purposes.

(e) Upon delivery by the Borrower to the Issuer and the Trustee of an opinion of independent counsel acceptable to the Issuer that the conditions to termination of the Tax Regulatory Agreement have been met, the Issuer and the Trustee shall, upon request by the Borrower or its assigns, file any documentation necessary to remove the Tax Regulatory Agreement from the real estate records of Travis County, Texas.

DEVELOPMENT RESTRICTIONS

The Borrower has represented, warranted and covenanted that:

(a) The Borrower has reviewed the provisions of the Tax Regulatory Agreement with its counsel and understands said provisions.

(b) Any functionally related and subordinate facilities (e.g., parking areas, laundry facilities, tenant offices, physical therapy rooms, dining rooms, meeting rooms, common areas, swimming pools, tennis courts, etc.) (the “*Related Facilities*”) to the Project, if applicable, will be made available to all tenants of the Project on an equal basis. Fees charged to residential tenants for use of the Related Facilities will be commensurate with fees charged for similar facilities at similar residential rental properties in the surrounding area and, in no event will any such fees charged to tenants of the Project be discriminatory or exclusionary as to the low-income tenants of the Project. No Related Facilities will be made available to persons other than tenants or their guests. Parking, if available, will be made available to all tenants on a first come, first served basis.

(c) For the Qualified Project Period, the Borrower shall not: (1) except upon a sale or transfer of the Project in accordance with the terms of the Tax Regulatory Agreement, the Loan Agreement (as hereinafter defined) or the Security Instrument (as defined in the Indenture), encumber any portion of the Project or grant commercial leases of any portion thereof or permit the conveyance, transfer or encumbrance of any portion of the Project (except for apartment leases), it being understood that the terms of the financing will be subordinate to the Tax Regulatory Agreement or (2) demolish any part of the Project or substantially subtract from any real or personal property of the Project; *provided*, that nothing herein shall prohibit the Borrower from granting operating leases and/or licenses of those facilities constituting part of the Project which are functionally related and subordinate to the residential units, such as laundry or recreational facilities, for the purpose of providing for the operation of such facilities for the benefit of the Project.

(d) For the Qualified Project Period, the Borrower shall exercise reasonable diligence to comply with the requirements of the Tax Regulatory Agreement and shall correct any noncompliance within sixty (60) days after such noncompliance is first discovered or would have been discovered by the exercise of reasonable diligence.

(e) The Borrower shall cause the Project to meet the requirements of the Tax Regulatory Agreement.

(f) Upon completion of construction, the Project will consist of a building or structure or several proximate buildings or structures of similar construction each containing one or more similarly constructed residential units located on a single tract of land or contiguous tracts of land which are owned, for federal tax purposes, at all times by one person or entity, and may include facilities functionally related and subordinate thereto. Each such building or structure will be a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and roof and containing five (5) or more similarly constructed units, or if such building does not contain at least five (5) or more similarly constructed units, no unit in such building will be occupied by an owner or manager of any units in the Project.

(g) All of the units in the Project will contain complete living, sleeping, eating, cooking and sanitation facilities for a single person or a family. Each unit will contain a kitchen that includes a stove, cooking range, full-size refrigerator and sink.

(h) None of the units in the Project will at any time be utilized on a transient basis, or used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or trailer park or court.

OCCUPANCY RESTRICTIONS AND AFFIRMATIVE OBLIGATIONS

Pursuant to Section 142 of the Code, the Issuer has elected, and the Borrower has agreed, that the requirements of subparagraph B of such Section 142(d)(1) of the Code will apply to the Project. The Borrower has made the following representations, warranties and covenants, among others, in the Tax Regulatory Agreement that:

(a) At all times during the Qualified Project Period, at least 40% of the completed residential units in the Project will be continuously occupied (or, only after the initial occupancy thereof, treated as occupied as provided herein) by individuals whose aggregate adjusted income (computed in the manner described in Section 1.167(k) 3(b)(3) of the Regulations, prior to its removal by T.D. 8474, 1993 1 C.B. 242) (hereinafter, "*Adjusted Gross Income*") does not exceed 60% of the median gross income, adjusted for family size, for the area in which the Development is located, determined in a manner consistent with determinations of lower income families and median gross income under Section 8 of the United States Housing Act of 1937, as amended (a "*Qualifying Tenant*"); *provided*, that if all the occupants of a unit are students (as defined in Section 151(c)(4) of the Code), no one of whom is entitled to file a joint return under Section 6013 of the Code, the occupants of that unit will not be deemed

to be “Qualifying Tenants.” The determination of whether an individual or family meets the income requirement set out above shall be made at the earlier of the time occupancy commences or the execution of the current lease with respect thereto and on an annual basis thereafter and shall be based upon Income Certifications (as hereinafter defined). Any residential unit occupied by an individual or family who is a Qualifying Tenant shall continue to be treated as occupied by a Qualifying Tenant during their tenancy in such unit, even though they subsequently cease to be of low or moderate income, unless the most recent determination of their income indicates that their income exceeds one hundred and forty percent (140%) of the applicable income limit (whether as a result of an increase in income or a decrease in family size or otherwise) and after such determination but before the next determination any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the then applicable income limit. Any residential unit vacated by a Qualifying Tenant shall be treated as occupied by a Qualifying Tenant until reoccupied, other than for a temporary period not to exceed thirty-one (31) days, at which time the character of such unit with respect to occupancy by a Qualifying Tenant shall be redetermined. In applying the foregoing forty percent (40%) requirement, 0.40 shall be multiplied by the total number of completed residential units, and if the resulting number contains a fraction, it shall be rounded up to the next highest whole unit.

(b) As a condition to occupancy, each individual or family who is intended to be a Qualifying Tenant shall, prior to occupying a residential unit or signing a lease, be required to sign and deliver to the Borrower, a “Certification of Income” attached as an exhibit to the Tax Regulatory Agreement (the “*Income Certification*”) in which the prospective Qualifying Tenant certifies that he and his family, if applicable, are Qualifying Tenants and pursuant to the lease signed by a Qualifying Tenant, said tenant shall be required to submit, at least annually, a new Income Certification on the basis of the current income of the tenant. In addition, such Qualifying Tenant shall be required to provide whatever other information, documents or certifications, including employment verifications and income tax returns, as are reasonably deemed necessary by the Borrower or the Issuer to substantiate the initial or subsequent Income Certification.

(c) The Borrower shall use or cause to be used, in renting any residential units in the Project to a prospective Qualifying Tenant, a lease that provides for termination of the lease and consent by such person to immediate eviction, subject to applicable provisions of Texas law, for failure to qualify as a Qualifying Tenant as a result of any material misrepresentation made by such person with respect to the Income Certification.

(d) All Income Certifications will be maintained on file at the Project so long as the Bonds are outstanding and for five (5) years thereafter with respect to each Qualifying Tenant who occupied a residential unit in the Project during the period the restrictions hereunder are applicable, and the Borrower shall, upon three (3) Business Days prior request, make such Income Certifications available for inspection by the Trustee and the Issuer.

(e) On the tenth (10th) day of the month after any residential unit in the Project is available for occupancy and the tenth (10th) day of each calendar quarter thereafter, the Borrower will submit to the Issuer, with a copy to the Trustee, the “Certificate of Continuing Program Compliance,” in the form attached as an exhibit to the Tax Regulatory Agreement, executed by the Borrower stating the percentage of completed residential units in the Project which were occupied or held available for occupancy by Qualifying Tenants (but only after initial occupancy by a Qualifying Tenant) at all times during the preceding month or quarter, as appropriate, and identifying Qualifying Tenants who commenced or terminated occupancy in the Development during such month or quarter, as appropriate.

(f) On the annual anniversary of the issuance of the Bonds (or at such other times, as prescribed by the Secretary of the United States Treasury Department), the Borrower will submit to the Secretary of the United States Treasury Department (with a copy to the Issuer) a certificate in the form that the Secretary prescribes, that the Project continues to meet the requirements of Section 142 of the Code.

(g) To satisfy the requirements of the Texas Public Facility Corporations Act, Chapter 303, Texas Local Government Code, the Borrower has represented, covenanted and agreed as follows:

(i) the percentage of lower and moderate income housing units reserved in each category of units in the Development, based on the number of bedrooms per unit, shall be the same as the percentage of each category of housing units reserved in the Development as a whole. For the purposes of this requirement, “lower income housing unit” means a residential unit reserved for occupancy by an individual or family earning not more than 60 percent of the area median income, adjusted for family size as defined by the United States Department of Housing and Urban Development. The term “moderate income housing unit” means a residential unit reserved for occupancy by an individual or family earning not more than 80 percent of the area median income, adjusted for family size, as defined by the United States Department of Housing and Urban Development;

(ii) that it will not refuse to rent a residential unit to an individual or family because the individual or family participates in the housing choice voucher program; or use a financial or minimum income standard that requires an individual or family participating in the housing choice voucher program to have a monthly income of more than 250 percent of the individual's or family's share of the total monthly rent payable for a unit. For the purposes of the Regulatory Agreement, “housing choice voucher program” means the housing choice voucher program under Section 8, United States Housing Act of 1937 (42 U.S.C. Section 1437f, as amended);

(iii) to affirmatively market available residential units directly to individuals and families participating in the housing choice voucher program; and

notify local housing authorities of the multifamily residential development's acceptance of tenants in the housing choice voucher program;

(iv) to publish on the Borrower's internet website information about the Development's compliance with the requirements of Section 303.0425 of the Texas Local Government Code; and policies regarding tenant participation in the housing choice voucher program;

(v) to provide in each lease agreement that

(1) the Borrower may not retaliate against the tenant or the tenant's guests by taking an action because the tenant established, attempted to establish, or participated in a tenant organization;

(2) the Borrower may only choose to not renew the lease if the tenant:

(A) is in material noncompliance with the lease, including nonpayment of rent;

(B) committed one or more substantial violations of the lease;

(C) failed to provide required information on the income, composition, or eligibility of the tenant's household; or

(D) committed repeated minor violations of the lease that:
(i) disrupt the livability of the property; (ii) adversely affect the health and safety of any person or the right to quiet enjoyment of the leased premises and related development facilities; (iii) interfere with the management of the Development; and

(vi) to serve written notice of any proposed nonrenewal of a lease agreement no later than the 30th day before the effective date of nonrenewal.

(h) To satisfy the requirements of Chapter 1372 of the Texas Government Code, as amended, the Borrower has represented, covenanted and agreed to utilize its best efforts and all due diligence to ensure that (i) fifty percent (50%) of the units in the Project are rented to persons whose Adjusted Gross Income, together with the Adjusted Gross Income of all persons who intend to reside with such person in one residential unit, did not, for the immediately preceding tax year, equal or exceed fifty percent (50%) of the area median income as determined and adjusted from time to time by the Secretary of HUD and (ii) fifty percent (50%) of the units in the Development are rented to persons whose Adjusted Gross Income together with the Adjusted Gross Income of all persons who intend to reside with such person in one residential unit, did not, for the immediately preceding tax year, equal or exceed sixty percent (60%) of the area median income as

determined and adjusted from time to time by the Secretary of HUD, and will not rent or lease any residential unit in the Project to a person not a tenant if such rental would cause the limits set forth above not to be met (the “*Chapter 1372 Requirements*”); and

(i) The Borrower has represented, covenanted and agreed as follows:

(i) to obtain and maintain on file a sworn statement as to the Adjusted Gross Income of each tenant who resides in the Project (and of any persons who reside in the same residential unit with such tenant) for the immediately preceding taxable year;

(ii) to permit any duly authorized representative of the Issuer and the Trustee to inspect the books and records of the Borrower pertaining to the Adjusted Gross Income of the residents of the Project; and

(iii) to prepare and submit to the Issuer and the Trustee within ninety (90) days after any residential unit in the Project is available for occupancy and each January 1 during the term of Tax Regulatory Agreement, the “Certificate of Continuing Program Compliance,” in the form attached as an exhibit to the Tax Regulatory Agreement, executed by the Borrower stating that at least fifty percent (50%) of the residential units in the Project were occupied by Low-Income Tenants at all times during the preceding month or quarter, as appropriate.

The terms of the foregoing subsection (g) are stated in stated in the Tax Regulatory Agreement to ensure compliance with Section 303.0425 of the Texas Local Government Code. The terms stated in the foregoing subsections (g) and (h) shall be construed together to preserve the tax exemption of Chapter 303 of the Texas Local Government Code and the federal tax status of any financing of the Development.

RENTAL RESTRICTIONS

The Borrower has represented, warranted and covenanted that once available for occupancy, each residential unit in the Project will be rented or available for rental on a continuous basis to members of the general public (other than residential units for a resident manager and/or maintenance personnel and residential units for individuals or families of low or moderate income as provided for in the Tax Regulatory Agreement). Each Qualifying Tenant occupying a unit in the Project will be required to execute a written lease which shall be effective for a term of at least six (6) months. No meals or other services will be provided to the tenants of the Project on a regularly scheduled basis.

TRANSFER RESTRICTIONS

For the Qualified Project Period, the Borrower shall sell, transfer, assign, convey, change title to or otherwise dispose of the Project (a “*Transfer*”), in whole or in part, only in accordance with the terms of the Loan Agreement dated as of the date of the Tax Regulatory Agreement, among the Issuer, the Borrower and the Trustee (the “*Loan Agreement*”). Further, any such sale,

transfer, assignment, conveyance, change in title or other disposition shall only be permitted if: (1) the Borrower shall not be in default hereunder; (2) the purchaser or assignee shall execute any necessary or appropriate document reasonably requested by the Trustee or the Issuer with respect to assuming its obligations under the Tax Regulatory Agreement and the Loan Agreement (together, the "*Assumption Agreement*"), which document shall be recorded in the Travis County, Texas, Clerk's Office; (3) the Trustee, the Lender and the Issuer shall have received an opinion of Bond Counsel, which opinion is acceptable to the Issuer and the Trustee, to the effect that such transfer will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes, and the Lender shall have otherwise approved such transfer to the extent the Mortgage Loan remains outstanding; (4) the Borrower shall deliver to the Trustee and the Issuer a certificate, reasonably acceptable in form to the Issuer and the Trustee, to the effect that the Borrower did not develop the Project with the intention of sale upon completion of its construction; (5) the Borrower shall deliver to the Trustee, the Lender and the Issuer an opinion of counsel to the transferee, which opinion is reasonably acceptable to the Issuer, that the transferee has duly assumed the obligations of the Borrower under the Tax Regulatory Agreement and that such obligations and the Tax Regulatory Agreement are binding on the transferee; and (6) such other conditions are met as are set forth in or referred to in the Indenture or as the Trustee or the Issuer may reasonably impose as part of the Assumption Agreement (i) to protect the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes; (ii) to ensure that the Project is not acquired by a person which has pending against it, or which has a history of, building code violations, as identified by county, state or federal regulatory agencies; and (iii) to provide that all indemnification obligations for the benefit of the Trustee, the Issuer and the Sponsor pursuant to the Tax Regulatory Agreement and elsewhere are assumed by the purchaser or assignee. Once the Assumption Agreement has been delivered and all conditions of this section have been satisfied, and the Borrower has obtained the consent to such transfer of any other party required under the terms of the Loan Agreement, the Trustee and the Issuer shall deliver a release to the Borrower with respect to any future compliance with the provisions of the Tax Regulatory Agreement with respect to the Project, and the Issuer shall deliver a release with respect to any future compliance with the provisions of the Loan Agreement (subject to any further transfer restrictions in the Loan Agreement). The Borrower shall deliver the form of Assumption Agreement to the Trustee and the Issuer at least ten (10) business days prior to a proposed Transfer.

In accordance with the terms of the Loan Agreement, the following shall be permitted and shall not require the prior approval of the Issuer: (i) the transfer by the Investor Limited Partner of its interests in the Borrower in accordance with the terms of the Organizational Documents (as defined in the Indenture), (ii) the transfer of ownership interests in the Investor Limited Partner, (iii) upon expiration of the tax credit compliance period, the transfer of interests of the Investor Limited Partner in the Borrower to the General Partner, the Special Limited Partner (as defined in the Indenture) or any of their respective affiliates and (iv) any amendment to the Organizational Documents to memorialize the transfers or removal described above or that does not negatively impact the Borrower's ability to perform its obligations under the Tax Regulatory Agreement.

[Remainder of page intentionally left blank]

APPENDIX E

PROPOSED FORMS OF OPINION OF BOND COUNSEL AND SPECIAL TAX COUNSEL

On the date of issuance of the Bonds, Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, proposes to render its approving opinion in substantially the following form:

[To be Provided]

On the date of issuance of the Bonds, Chapman and Cutler LLP, Special Tax Counsel, proposes to render its opinion in substantially the following form:

[To be Provided]

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

Re: \$60,815,000*
Manor Housing Public Facility Corporation
Multifamily Housing Revenue Bonds
(Tower Road Apartments),
Series 2024

Manor Housing Public Facility Corporation Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024

This Continuing Disclosure Agreement (this “*Disclosure Agreement*”) is made as of this 1st day of October, 2024, by and between Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the “*Borrower*”) and BOKF, NA, a national banking association, as Dissemination Agent (the “*Dissemination Agent*”). This Disclosure Agreement is entered into in connection with the issuance and sale by the Manor Housing Public Facility Corporation (the “*Issuer*”) of the above-captioned bonds (the “*Bonds*”) pursuant to a Trust Indenture dated as of October 1, 2024 (the “*Indenture*”), by and between BOKF, NA, as trustee, and the Issuer.

SECTION 1. PURPOSE OF THIS DISCLOSURE AGREEMENT.

This Disclosure Agreement is being executed and delivered for the benefit of the holders and beneficial owners of the Bonds (collectively, the “*Bondholders*”) and in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5), as it may be amended from time to time (the “*Rule*”), including administrative or judicial interpretations thereof, as it applies to the Bonds.

The Borrower acknowledges and agrees that the Issuer is not an “obligated person” for purposes of the Rule and shall have no reporting or disclosure obligations hereunder. In addition to any other indemnification obligations of the Borrower to the Issuer and the Dissemination Agent now or hereafter existing, the Borrower hereby covenants and agrees to indemnify and hold harmless the Issuer and the Dissemination Agent, any person who “controls” the Issuer or the Dissemination Agent (within the meaning of Section 15 of the Securities Act of 1933, as amended), and any member, officer, director, official, agent, employee, and attorney of the Issuer, the State or the Dissemination Agent (collectively called the “*Indemnified Parties*”) against any and all losses, claims, damages or liabilities (including all costs, expenses and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by the Borrower and relating to, arising out of, resulting from, or in any way connected with compliance with the Rule as it applies to the Bonds.

* Preliminary, subject to change.

SECTION 2. DEFINITIONS.

In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean the Borrower’s Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Continuing Disclosure Information*” shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed with the National Repository pursuant to Section 3(c) of this Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed with the National Repository pursuant to Section 5(c) of this Disclosure Agreement.

“*Commission*” shall mean the Securities and Exchange Commission.

“*EMMA*” shall mean the Electronic Municipal Market Access System.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board.

“*National Repository*” shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

“*Opinion of Counsel*” shall mean a written opinion of counsel expert in federal securities law acceptable to both the Issuer and the Borrower.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds.

“*State*” shall mean the State of Texas.

SECTION 3. PROVISION OF ANNUAL REPORTS.

(a) Commencing with the fiscal year ending [December 31, 2024] of the Borrower, the Borrower shall, no later than 180 days following the end of its fiscal year during which any of the Bonds remain outstanding, provide to the Dissemination Agent, the Annual Report prepared in each case for the fiscal year of the Borrower ending the immediately preceding [December 31]; *provided, however*, that the audited financial statements of the Borrower may be submitted separately from the Annual Report if such audited financial statements are not

available by such date, but only if the unaudited financial statements are included in such Annual Report. Each Annual Report provided to the Dissemination Agent by the Borrower shall comply with the requirements of Section 4 of this Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. If the document incorporated by reference is a final official statement, it must be available from the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission. Unless otherwise provided by law, any Continuing Disclosure Information filed with the National Repository in accordance with this Disclosure Agreement shall be in an electronic format as shall be prescribed by MSRB Rule G-32, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32.

(b) The Dissemination Agent, promptly on receiving the Annual Report, shall submit each such Annual Report received by it to the National Repository in accordance with the Rule and to the Issuer.

(c) If the Borrower fails to submit the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice to the Borrower advising of such failure. Whether or not such notice is given or received, if the Borrower thereafter fails to submit the Annual Report to the Dissemination Agent by the last Business Day of the month in which such Annual Report was due, the Dissemination Agent shall promptly send a notice to the National Repository in substantially the form attached as Exhibit A hereto.

SECTION 4. CONTENTS OF ANNUAL REPORTS.

(a) The Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit B hereto, which Annual Report will include audited financial statements if they are prepared. If the Borrower's audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the audited financial statements will be filed in the same manner as the Annual Report when and if they become available.

(b) The Borrower currently prepares its financial statements on an accrual basis of accounting and in accordance with generally accepted accounting principles.

SECTION 5. REPORTING OF SIGNIFICANT EVENTS.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events (the "*Listed Events*"):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;

- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) (i) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or (ii) other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower;
- (13) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.

(b) The Borrower shall, within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in clauses (2), (6)(ii), (7), (8), (10), (13), (14), or (15) of subsection (a) of this Section 5, the Borrower may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Disclosure Agreement to investigate whether any of the Listed Events have occurred, or to provide, or to monitor the Borrower's obligation to provide, notification of the occurrence of any of the Listed Events.

(c) If the Dissemination Agent has been instructed in writing by the Borrower to report the occurrence of a Listed Event, then at the Borrower's expense the Dissemination Agent shall file a notice of such occurrence with the National Repository within three (3) Business Days of the receipt of such instruction, with a copy of such notice provided by the Dissemination Agent to the Borrower, the Issuer, and the Trustee. In addition, notice of a Listed Event described in subsection (a)(8) of this Section 5 shall be given by the Dissemination Agent under this subsection simultaneously with the giving of the notice of the underlying event to the Bondholders of the affected Bonds pursuant to the Indenture. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Borrower, and not that of the Trustee or the Dissemination Agent. The Dissemination Agent shall not be liable in damages or in tort to any person or entity, including the Underwriter, Issuer, Borrower, or any Holder or Beneficial Owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

SECTION 6. SUBMISSION OF INFORMATION TO MSRB.

Any Continuing Disclosure Information filed with the MSRB in accordance with this Disclosure Agreement shall be in electronic format as shall be prescribed by MSRB Rule G-32 or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32 or as may otherwise be required by the Rule.

SECTION 7. DEFAULTS AND REMEDIES.

(a) *Events of Default.* The following shall each constitute an "Event of Default" hereunder:

(1) The occurrence and continuation of a failure by the Borrower to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Disclosure Agreement, if such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the Borrower by the Dissemination Agent, any Bondholder or the Issuer ("*Disclosure Default*"); or

(2) The occurrence and continuation of a failure by the Dissemination Agent to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Disclosure Agreement, if such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the

Dissemination Agent by the Issuer, the Trustee or any Bondholder (“*Dissemination Default*”).

(b) *Remedies on Default.* (1) (i) In the case of the enforcement of any of the obligations hereunder to provide the Annual Report and any notice provided in connection with the occurrence of a Listed Event, the Trustee, on behalf of the Bondholders, may and (ii) in the case of challenges to the adequacy of information set forth in the Annual Report and any notice provided in connection with the occurrence of a Listed Event so provided, the Trustee may (and at the written request of the Issuer or the Owners of at least twenty-five (25%) percent in aggregate principal amount of Outstanding Bonds, after having provided to the Trustee adequate security and indemnity, shall), take whatever action at law or in equity against the Borrower or the Dissemination Agent which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Borrower or the Dissemination Agent under this Disclosure Agreement and may compel the Borrower or the Dissemination Agent to perform and carry out their duties under this Disclosure Agreement; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(2) The Issuer, or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the Borrower or the Dissemination Agent and any of the officers, agents and employees of the Borrower or the Dissemination Agent which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Borrower or the Dissemination Agent, as the case may be, under this Disclosure Agreement and may compel the Borrower or the Dissemination Agent, as the case may be, or any such officers, agents or employees to perform and carry out their duties under this Disclosure Agreement; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(3) In case the Trustee, the Dissemination Agent, the Issuer, or any Bondholder shall have proceeded to enforce its rights under this Disclosure Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to such party, then and in every such case the Issuer, the Trustee, the Dissemination Agent, or any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Issuer, the Trustee, the Dissemination Agent, or any Bondholder shall continue as though no such proceeding had been taken.

(4) An Event of Default under this Disclosure Agreement shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure by the Borrower to comply with this Disclosure Agreement shall be as set forth in subsection 7(b) of this Disclosure Agreement. The sole remedies under this Disclosure Agreement in the event of any failure by the Dissemination Agent to comply with this Disclosure Agreement shall be as set forth in subsection 7(b) of this Disclosure Agreement.

(c) *Agreements to Pay Reasonable Attorneys' Fees and Expenses.* If a Disclosure Default occurs and the Trustee, or any Bondholder, as the case may be, employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it will on demand therefor pay to the Trustee, the Issuer, or such Bondholder the fees of such attorneys and such other costs and expenses so incurred by the Trustee, the Issuer, or such Bondholder, as the case may be.

(d) *No Remedy Exclusive.* No remedy herein conferred upon or reserved to the Trustee, the Issuer, the Dissemination Agent, or any Bondholder is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Disclosure Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer, the Trustee, the Dissemination Agent, or any Bondholder, as the case may be, 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 herein expressly required.

(e) *No Additional Waiver Implied by One Waiver.* In the event any agreement contained in this Disclosure Agreement shall be breached by any party and thereafter waived by any affected party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

(f) *Delay Not to Constitute Waiver.* No failure by any party to insist upon strict performance of this Disclosure Agreement or to exercise any remedy upon the occurrence of a Disclosure Default or a Dissemination Default shall constitute a waiver of such default, or a waiver or modification of any provision of this Disclosure Agreement, and, likewise, no prior course of dealing between the parties hereto shall constitute a waiver of such default or a waiver or modification of any provision of this Disclosure Agreement.

SECTION 8. TERMINATION OF REPORTING OBLIGATION.

Except as otherwise provided herein, the obligations of the Borrower under this Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds, or when the Borrower is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

SECTION 9. AMENDMENT; WAIVER.

Notwithstanding any other provisions of this Disclosure Agreement, the Borrower may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an Opinion of Counsel addressed to the Issuer and the Dissemination Agent to the effect that such amendment or waiver will not, in and of itself, cause the undertakings herein to violate the Rule. No such amendment shall be effective until the written consent of the Issuer has been received. No amendment to this

Disclosure Agreement shall change or modify the rights or obligations of the Dissemination Agent without its written assent thereto.

SECTION 10. ADDITIONAL INFORMATION.

Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in the Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in the Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, it shall not have any obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. DUTIES, IMMUNITIES AND LIABILITIES OF DISSEMINATION AGENT.

(a) This Disclosure Agreement governs the Borrower's direction to the Dissemination Agent with respect to information to be made public. In its actions under this Disclosure Agreement, the Dissemination Agent is acting not as Trustee, but as the Borrower's agent; *provided* that the Dissemination Agent shall be entitled to the same protection in so acting under this Disclosure Agreement as it has in acting as Trustee under the Indenture as fully as if the applicable provisions of the Indenture were set forth herein. The Borrower acknowledges that the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement and no implied representations, warranties or covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer or the Borrower have provided such information to the Dissemination Agent as required by this Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer or the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Borrower, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Issuer's or the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer or the Borrower have complied with this Disclosure Agreement. The Dissemination Agent may conclusively rely upon written direction or certifications of the Issuer or the Borrower at all times.

BORROWER AGREES TO INDEMNIFY AND SAVE THE DISSEMINATION AGENT, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH IT MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF ITS POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) OF DEFENDING AGAINST, ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES THAT ARE FINALLY ADJUDICATED BY A COURT OF COMPETENT JURISDICTION TO HAVE BEEN THE DIRECT RESULT OF

THE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE OBLIGATIONS OF THE ISSUER AND THE BORROWER UNDER THIS SECTION SHALL SURVIVE RESIGNATION OR REMOVAL OF THE DISSEMINATION AGENT AND DEFEASANCE, REDEMPTION OR PAYMENT OF THE BONDS. THE INDEMNIFICATION OF THE DISSEMINATION AGENT AS PROVIDED IN THIS SECTION 11 SHALL REMAIN IN FULL FORCE AND EFFECT IF LIABILITIES DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF, OR RELATE TO, OR ARE ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF, OR RELATED TO, THE SOLE OR CONTRIBUTORY NEGLIGENCE OF THE DISSEMINATION AGENT. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE INDEMNITY PROVISIONS OF THIS SECTION 11 SHALL SURVIVE THE TERMINATION OF THIS DISCLOSURE AGREEMENT AND THE LEGAL DEFEASANCE, PRIOR REDEMPTION OR PREPAYMENT OF ALL OF THE BONDS, AND THE RESIGNATION OR REMOVAL OF THE DISSEMINATION AGENT.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The fees and expenses of such counsel shall be payable by the Issuer or the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. BENEFICIARIES.

This Disclosure Agreement shall inure solely to the benefit of the Dissemination Agent, the Issuer and the Bondholders, and the Issuer and each Bondholder is hereby declared to be a third-party beneficiary of this Disclosure Agreement. The Issuer shall have the right to bring an action in order to enforce the obligations of the parties hereunder. Except as provided in the immediately preceding sentence, this Disclosure Agreement shall create no rights in any other person or entity.

SECTION 13. NOTICES.

All notices and other communications required or permitted under this Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, first class, postage prepaid, or overnight mail, addressed as set forth below:

- (i) If to the Borrower: Manor Leased Housing Associates I, Limited Partnership
c/o Dominion Development & Acquisition, LLC
2905 Northwest Boulevard, Suite 150
Plymouth, Minnesota 55441
Attention: Neal Route

with a copy to: Winthrop & Weinstine, P.A.
225 South Sixth Street, Suite 3500
Minneapolis, Minnesota 55402
Attention: John Nolde

(ii) If to the Dissemination Agent: BOKF, NA
1401 McKinney Street, Suite 1000
Houston, Texas 77010
Attention: Corporate Trust Department

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 13 for the giving of notice.

SECTION 14. SUCCESSORS AND ASSIGNS.

All of the covenants, promises and agreements contained in this Disclosure Agreement by or on behalf of the Borrower or the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 15. HEADINGS FOR CONVENIENCE ONLY.

The descriptive headings in this Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

SECTION 16. COUNTERPARTS.

This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 17. SEVERABILITY.

If any provision of this Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

SECTION 18. GOVERNING LAW AND VENUE.

This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 19. EMMA CONTACT INFORMATION.

If contact information for the Borrower is requested while the Dissemination Agent is using EMMA for matters relating to this Disclosure Agreement, the Dissemination Agent shall provide the contact information listed for the Borrower included in Section 13 hereof.

IN WITNESS WHEREOF, the parties have executed this Disclosure Agreement by their proper and duly authorized officers the day and year first above written.

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

By: MHPFC TRGP1 LLC, a Texas limited
liability company, its general partner

By: Manor Housing Public Facility
Corporation, its sole member

By: _____
Name: _____
Title: _____

BOKF, NA,
As Dissemination Agent

By: _____
Rosalyn Davis
Vice President

EXHIBIT A

NOTICE OF FAILURE TO FILE AN ANNUAL REPORT

Name of Issuer: Manor Housing Public Facility Corporation

Name of Bond Issue affected: Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024

CUSIP: _____

Date of Issuance of the affected Bond Issue: [October 25], 2024

NOTICE IS HEREBY GIVEN that Manor Leased Housing Associates I, Limited Partnership has not provided the Annual Report with respect to the above-named Bond issue as required by Section 3 of the Continuing Disclosure Agreement dated as of October 1, 2024, among the Borrower and the Dissemination Agent. The Borrower anticipates that the specified Annual Report will be filed by _____.

Dated: _____

BOKF, NA, a national banking association,
as Dissemination Agent

By: _____
Name: _____
Title: _____

cc: Borrower

EXHIBIT B

ANNUAL REPORT

\$60,815,000*

**Manor Housing Public Facility Corporation
Multifamily Housing Revenue Bonds
(Tower Road Apartments),
Series 2024**

CUSIP: _____

Report for Period Ending

THE PROJECT

Name: Tower Road Apartments

Address:

Occupancy:

Number of Units: 324

Number of Units Occupied as of Report Date:

OPERATING HISTORY OF THE PROJECT

The following table sets forth a summary of the operating results of the Project for fiscal year ended _____, as derived from the Borrower's [un]audited financial statements.

Revenues

Operating Expenses¹

Net Operating Income

Debt Service on the Loan

Net Operating Income/(Loss)

After Debt Service

The average occupancy of the Project for the fiscal year ended [_____] was [_____] %.

* Preliminary, subject to change.

¹ Excludes depreciation and other non-cash expenses, includes management fee.