

NEW ISSUE

BOOK-ENTRY ONLY

NOT RATED

NOT BANK QUALIFIED

In the opinion of Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Subordinate Bonds is excludable from gross income for federal income tax purposes, except for interest on any Subordinate Bond for any period during which such Subordinate Bond is held by a "substantial user" of the facilities financed by the Subordinate Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, and interest on the Subordinate Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Subordinate Bonds may affect the federal alternative minimum tax imposed on certain corporations. For a more detailed description of such opinions of Bond Counsel, see "TAX MATTERS" in this Limited Offering Memorandum. **[TO BE UPDATED BY CHAPMAN & CUTLER LLP]**

\$4,000,000

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

Dated: Date of Issuance**Due: May 1, as shown on inside front cover**

The above-referenced obligations (the "Subordinate Bonds"), and the interest thereon, are special, limited obligations of the Manor Housing Public Facility Corporation (the "Issuer") payable exclusively from the sources described herein, and do not constitute a debt or a loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the City of Manor, Texas (the "City"), the State of Texas (the "State"), or of any political subdivision thereof, within the meaning of any Texas constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer, the City, the State, or of any political subdivision thereof. The Subordinate Bonds are not secured by or payable from any taxes, revenues, or assets of the Issuer except for the Issuer's interest in the Subordinate Loan Agreement (as defined herein), excluding certain unassigned rights of the Issuer including without limitation the Issuer's rights to indemnification and payment of its fees and expenses, and amounts held by the Subordinate Trustee (defined below) pursuant to the Subordinate Indenture (defined below). Undefined capitalized terms used on this cover page are defined in the text hereof or in APPENDIX C-1 or APPENDIX C-2 to this Limited Offering Memorandum.

Pursuant to the Subordinate Loan Agreement, dated as of October 1, 2024 (the "Subordinate Loan Agreement"), between the Issuer and Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the "Borrower"), all proceeds of the Subordinate Bonds will be loaned by the Issuer to the Borrower to be used, together with other available funds of the Borrower and proceeds of the Senior Bonds and the Taxable Bridge Loan (each defined herein) in order to: (i) finance or refinance all or a portion of the cost of the acquisition, construction, improvement, equipping, and/or operating of an affordable multifamily housing facility consisting of 324 dwelling units located at 12200 Tower Road in the City on land owned by the Issuer and leased to the Borrower under a Ground Lease (as defined herein) (the "Housing Project"); (ii) fund capitalized interest on the Subordinate Bonds; and (iii) pay the costs of issuance for the Subordinate Bonds. The Subordinate Bonds will be payable solely from the money and investments held for the payment thereof by BOKF, NA, as trustee for the Subordinate Bonds (the "Subordinate Trustee"), under the Subordinate Indenture of Trust, dated as of October 1, 2024 (the "Subordinate Indenture"), including loan repayments ("Basic Payments") required to be made under the Subordinate Loan Agreement by the Borrower. The Basic Payments will be made by the Borrower solely from Available Revenue. The Subordinate Bonds will be secured by (a) amounts held under the Subordinate Indenture including Basic Payments, (b) a subordinate mortgage lien on and security interest in the Housing Project (initially subject to the terms of the Ground Lease), and (c) a guaranty by Dominion Holdings II, LLC (the "Guarantor") of the Basic Payments and other payments required under the Subordinate Loan Agreement. See "THE SUBORDINATE BONDS" and "SECURITY FOR THE SUBORDINATE BONDS" in this Limited Offering Memorandum.

The Subordinate Bonds are subject to redemption and prepayment, including mandatory sinking fund redemption, optional redemption, extraordinary redemption in the event of damage, destruction or condemnation of the Housing Project or in the event of certain changes in the Constitution or laws of the United States or the State, and mandatory redemption in the event of a Determination of Taxability, as described herein under "THE SUBORDINATE BONDS - Redemption and Prepayment" in this Limited Offering Memorandum.

Interest on the Subordinate Bonds is payable (i) with respect to the Current Interest Rate, on the 1st day of each month, commencing [] 1, 2025], and continuing until payment in full of the Subordinate Bonds, and (ii) with respect to the Accrual Interest Rate, each May 1 commencing after the Deferred Developer Fee is paid in full (as certified in writing by the Borrower to the Subordinate Trustee and the Issuer) and there is Surplus Cash available to make such payment after the required payment of the Current Interest Rate Amount and other prior items in the cash flow waterfall in the Borrower's Partnership Agreement (as defined herein) and continuing until payment in full of the Subordinate Bonds. The Subordinate Bonds are being issued in minimum denominations of \$250,000 or multiples of \$5,000 in excess thereof. The Subordinate Bonds will be issued as fully registered bonds in book-entry form only. All Subordinate Bonds will be deposited with The Depository Trust Company ("DTC") and registered in the name of Cede & Co., the partnership nominee of DTC. All transfers and registrations of beneficial ownership will be recorded solely in the records of the Direct Participants and Indirect Participants. Principal and interest payments on the Subordinate Bonds will be made to DTC and DTC will credit accounts and transfer payments to Direct Participants and Indirect Participants in accordance with their respective holdings. See "APPENDIX E - BOOK-ENTRY ONLY SYSTEM" in this Limited Offering Memorandum.

THE SUBORDINATE BONDS, AND THE INTEREST THEREON WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER AND WILL BE PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE (AS DEFINED IN THE SUBORDINATE INDENTURE). THE SUBORDINATE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE CITY, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY TEXAS CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE CITY, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF. THE SUBORDINATE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON THE SUBORDINATE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, MEMBER, PROGRAM MANAGER, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EXECUTIVE DIRECTORS, MEMBERS, PROGRAM MANAGERS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS OR AGENTS, IF ANY, AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE SUBORDINATE BONDS.

THE SUBORDINATE BONDS ARE SUBJECT TO A SIGNIFICANT DEGREE OF RISK. THE SUBORDINATE BONDS ARE SUITABLE FOR INVESTMENT CONSIDERATION ONLY FOR THOSE PURCHASERS WHO ARE SOPHISTICATED AND EXPERIENCED IN THE FIELD OF HIGH YIELD MULTIFAMILY HOUSING BONDS. NO RATING FOR THE SUBORDINATE BONDS HAS BEEN APPLIED FOR. THE SUBORDINATE BONDS ARE INITIALLY OFFERED ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" ("QUALIFIED INSTITUTIONAL BUYERS") AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") WHICH DELIVER AN INVESTOR LETTER IN THE FORM SET FORTH AT APPENDIX F HERETO. SEE "SECURITY FOR THE SUBORDINATE BONDS" AND "BONDHOLDERS' RISKS" IN THIS LIMITED OFFERING MEMORANDUM. SEE ALSO "THE SUBORDINATE BONDS - TRANSFER RESTRICTIONS" IN THIS LIMITED OFFERING MEMORANDUM FOR A DESCRIPTION OF APPROVED TRANSFERREES.

Simultaneously with the issuance of the Subordinate Bonds, the Issuer is also issuing its Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024 (the "Senior Bonds"), in the original principal amount of \$[], the aggregate proceeds of which will be used to make a loan to the Borrower to finance a portion of the cost of the Borrower's acquisition and construction of the Housing Project. The Senior Bonds are not being offered pursuant to this Limited Offering Memorandum. Closing on the Subordinate Bonds is contingent on the issuance of the Senior Bonds. This cover page contains certain information for quick reference only. This cover page is not intended to be a summary of the Subordinate Bonds or the security therefor. An investment in the Subordinate Bonds is subject to certain risks. See "BONDHOLDERS' RISKS" in this Limited Offering Memorandum.

The maturity schedule for the Subordinate Bonds is set forth on the inside front cover page.

The Subordinate Bonds are offered when, as and if issued by the Issuer, subject to prior sale, withdrawal or modification of the offer without notice, and subject to the approval of legality by the Attorney General of Texas and by Bickerstaff Heath Delgado Acosta LLP in Austin, Texas and as to their tax-exempt status by Chapman & Cutler LLP in Chicago, Illinois. Certain legal matters will be passed upon for the Borrower by its counsel, Winthrop & Weinstine, P.A., Minneapolis, Minnesota, and for Colliers Securities LLC (the "Placement Agent") by its counsel, Ballard Spahr LLP, Minneapolis, Minnesota, and Bickerstaff Heath Delgado Acosta LLP in Austin, Texas for the Issuer. Certain financial advisory services will be provided to the Issuer by Hilltop Securities, Inc., Austin, Texas. It is expected that delivery of the Subordinate Bonds will be made through the facilities of DTC in New York, New York on or about October [], 2024.



The date of this Limited Offering Memorandum is October [], 2024.

MATURITY SCHEDULE

\$4,000,000

**Manor Housing Public Finance Corporation
Subordinate Multifamily Housing Revenue Bonds
(Tower Road Apartments)
Series 2024**

\$4,000,000 Series 2024 Term Bond due May 1, 2065

7.00% Current Interest Rate ⁽¹⁾

7.00% Accrual Interest Rate ⁽²⁾

Price of 100%

CUSIP [_____] ⁽³⁾

⁽¹⁾ For a more complete description of the Current Interest Rate, see “THE SUBORDINATE BONDS – Interest; Maturity; Payment – Current Interest Rate” in this Limited Offering Memorandum.

⁽²⁾ For a more complete description of the Accrual Interest Rate, see “THE SUBORDINATE BONDS – Interest; Maturity; Payment – Accrual Interest Rate” in this Limited Offering Memorandum.

⁽³⁾ CUSIP is a registered trademark of the American Bankers Association (“ABA”). CUSIP Global Services (CSG) is managed on behalf of the ABA by FactSet Research Systems Inc. CUSIP data herein is provided by CSG. The CUSIP numbers listed above are being provided solely for the convenience of Holders of the Subordinate Bonds only at the time of issuance of the Subordinate Bonds and neither the Issuer nor the Placement Agent nor the Borrower makes any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future.

Issuer

Manor Housing Public Facility Corporation
Manor, Texas

Issuer's Financial Advisor

Hilltop Securities, Inc.
Austin, Texas

Borrower

Manor Leased Housing Associates I, LP
Manor, Texas

Borrower's Counsel

Winthrop & Weinstine, P.A.
Minneapolis, Minnesota

Bond Counsel

Bickerstaff Heath Delgado Acosta LLP
Austin, Texas

Special Tax Counsel

Chapman & Cutler LLP
Chicago, Illinois

Placement Agent

Colliers Securities LLC
Minneapolis, Minnesota

Placement Agent's Counsel

Ballard Spahr LLP
Minneapolis, Minnesota

Subordinate Trustee

BOKF NA
Houston, Texas

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM IN CONNECTION WITH THE OFFERING OF THE SUBORDINATE BONDS DESCRIBED HEREIN AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER OR THE BORROWER. NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM NOR ANY SALE OF THE SUBORDINATE BONDS DESCRIBED HEREIN SHALL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BORROWER SINCE THE DATE HEREOF. THE INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM HAS BEEN OBTAINED FROM THE BORROWER AND OTHER SOURCES BELIEVED BY THE BORROWER AND PLACEMENT AGENT TO BE RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY THE ISSUER OR THE PLACEMENT AGENT. THIS LIMITED OFFERING MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE SUBORDINATE BONDS OFFERED HEREBY, NOR SHALL THERE BE ANY OFFER OR SOLICITATION OF SUCH OFFER OR SALE OF THE SUBORDINATE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

NONE OF THE DIRECTORS OF THE ISSUER, ITS EXECUTIVE DIRECTORS, OFFICERS, COUNSEL, ADVISORS, AGENTS, CONTRACTORS, CONSULTANTS, PROGRAM MANAGERS OR EMPLOYEES HAVE REVIEWED THIS LIMITED OFFERING MEMORANDUM OR INVESTIGATED THE STATEMENTS OR REPRESENTATIONS CONTAINED HEREIN, EXCEPT FOR THOSE STATEMENTS, SOLELY AS THEY RELATE TO THE ISSUER SET FORTH UNDER THE CAPTIONS "THE ISSUER" AND "ABSENCE OF MATERIAL LITIGATION – THE ISSUER." EXCEPT WITH RESPECT TO THE INFORMATION CONTAINED UNDER SUCH CAPTIONS (SOLELY AS SUCH INFORMATION RELATES TO THE ISSUER), NONE OF THE DIRECTORS OF THE ISSUER, ITS EXECUTIVE DIRECTORS, OFFICERS, COUNSEL, ADVISORS, AGENTS, CONTRACTORS, CONSULTANTS, PROGRAM MANAGERS OR EMPLOYEES MAKES ANY REPRESENTATION AS TO THE COMPLETENESS, SUFFICIENCY AND TRUTHFULNESS OF THE STATEMENTS SET FORTH IN THIS LIMITED OFFERING MEMORANDUM. NONE OF THE DIRECTORS OF THE ISSUER, ITS EXECUTIVE DIRECTORS, OFFICERS, COUNSEL, ADVISORS, AGENTS, CONTRACTORS, CONSULTANTS, PROGRAM MANAGERS, EMPLOYEES OR ANY OTHER PERSON EXECUTING THE SUBORDINATE BONDS ARE OR WILL BE SUBJECT TO PERSONAL LIABILITY BY REASON OF THE ISSUANCE OF THE SUBORDINATE BONDS. THE ISSUER ASSUMES NO RESPONSIBILITY FOR THIS LIMITED OFFERING MEMORANDUM AND HAS NOT REVIEWED OR UNDERTAKEN TO VERIFY ANY INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM.

THE INFORMATION SET FORTH UNDER "THE SUBORDINATE BONDS – BOOK-ENTRY ONLY SYSTEM" AND "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" HAS BEEN OBTAINED FROM THE DEPOSITORY TRUST COMPANY. ALL OTHER INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE BORROWER AND OTHER NOTED SOURCES WHICH ARE BELIEVED TO BE RELIABLE, BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS.

THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE COVER PAGE HEREOF, IS PROVIDED FOR THE PURPOSE OF SETTING FORTH INFORMATION IN CONNECTION WITH THE ISSUANCE AND SALE OF THE SUBORDINATE BONDS. THIS LIMITED OFFERING MEMORANDUM SPEAKS ONLY AS OF ITS DATE, AND THE INFORMATION CONTAINED HEREIN IS SUBJECT TO CHANGE. THE DESCRIPTION OF THE SUBORDINATE BONDS AND THE DOCUMENTS AUTHORIZING AND SECURING THE SUBORDINATE BONDS CONTAINED HEREIN DO NOT PURPORT TO BE COMPREHENSIVE OR DEFINITIVE. ALL REFERENCES TO AND DESCRIPTION OF SUCH DOCUMENTS HEREIN ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. COPIES OF SUCH DOCUMENTS NOT REPRODUCED IN THIS LIMITED OFFERING MEMORANDUM MAY BE OBTAINED FROM BOKF, NA, AS TRUSTEE.

THE SUBORDINATE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE SUBORDINATE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SUBORDINATE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF THE SECURITIES LAWS OF THE STATES, IF ANY, IN WHICH THE SUBORDINATE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN CERTAIN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SUBORDINATE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM AND ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE BORROWER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY BODY, AND NO SUCH AUTHORITIES HAVE CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Limited Offering Memorandum is being furnished by the Placement Agent to a limited number (35 or less) of sophisticated investors (Approved Buyers (as defined herein)) in minimum denominations of \$250,000 or multiples of \$5,000 in excess thereof solely for the purpose of each investor's consideration of the purchase of the Subordinate Bonds described herein, and is not to be used for any other purpose or made available to anyone not directly concerned with the decision regarding such purchase. It is not anticipated that there will be more than 35 holders of the Subordinate Bonds.

The Placement Agent has provided the following sentence for inclusion in this Limited Offering Memorandum. The Placement Agent has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Placement Agent does not guarantee the accuracy or completeness of such information.

The Subordinate Trustee has not participated in the preparation of this Limited Offering Memorandum or any other disclosure documents relating to the Subordinate Bonds. Except for information under the heading "THE SUBORDINATE TRUSTEE," the Subordinate Trustee has or assumes no responsibility as to the accuracy or completeness of any information contained in this Limited Offering Memorandum or any other such disclosure documents.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

THIS LIMITED OFFERING MEMORANDUM, INCLUDING THE APPENDICES HERETO, CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED "FORWARD-LOOKING STATEMENTS," MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS "PLAN," "EXPECT," "ESTIMATE," "BUDGET," OR SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES, AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE, OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE BORROWER DOES NOT EXPECT OR INTEND TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED, OCCUR.

NOTICE TO INVESTORS OF THE SUBORDINATE BONDS

The Subordinate Bonds are to be initially placed only with 35 or less Qualified Institutional Buyers (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”) (an “Approved Buyer”), executing an investor letter in the form attached hereto as “APPENDIX F – FORM OF INVESTOR LETTER.” In addition, the face of each Subordinate Bond contains a legend to the effect that such Subordinate Bond can only be transferred (A) to an Approved Buyer, or (B) “accredited investors” as defined in Section 501(a)(1), (2), (3), (7), or (8) of Regulation D promulgated under the 1933 Act (“Institutional Accredited Investors”), (C) a transferee composed solely of Qualified Institutional Buyers or Institutional Accredited Investors, or (D) a deposit or sale of the Subordinate Bonds in or to a trust or custodial entity or arrangement, or any repurchase transaction or other secured lending transaction in which title, rights, or interest in the Subordinate Bonds are granted to a buyer or transferee, with respect to which, in each sale, each of the beneficial owners of which are Qualified Institutional Buyers or “accredited investors” as defined in Section 501(a) of Regulation D promulgated under the 1933 Act ((A) through (D), an “Approved Transferee”).

Each initial purchaser of any Subordinate Bond or ownership interest therein will be deemed to have acknowledged, represented, warranted, and agreed with and to the Issuer, the Borrower, the Placement Agent and the Trustee as follows:

(a) That the Subordinate Bonds are special, limited obligations of the Issuer, payable solely from certain revenues received by the Issuer pursuant to the Subordinate Loan Agreement, between the Issuer and the Borrower, as amended from time to time, and delivered to the Issuer pursuant to the Subordinate Loan Agreement, and, in certain circumstances, out of amounts secured by the exercise of remedies provided in the Subordinate Indenture, between the Issuer and the Trustee and the Subordinate Loan Agreement. See “SECURITY FOR THE SUBORDINATE BONDS” and “ESTIMATED SOURCES AND USES OF FUNDS” in this Limited Offering Memorandum. The Subordinate Bonds shall never be payable out of any funds of the Issuer except the Trust Estate. THE SUBORDINATE BONDS ARE NOT OBLIGATIONS OF THE CITY OF MANOR, TEXAS (THE “CITY”), THE STATE OF TEXAS (“STATE”), ANY POLITICAL SUBDIVISION THEREOF, OR ANY ENTITY OTHER THAN THE ISSUER. NONE OF THE CITY, THE STATE, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION, OR AGENCY THEREOF SHALL BE OBLIGATED TO PAY THE SUBORDINATE BONDS OR THE INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON THE SUBORDINATE BONDS. THE ISSUER HAS NO TAXING POWER.

(b) That it is an Approved Buyer.

(c) That the Subordinate Bonds (i) have not been registered under the Securities Act and are not registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any stock or other securities exchange, and (iii) may not be readily marketable.

(d) That such purchaser acknowledges that the Subordinate Bonds and beneficial ownership interests therein may only be transferred to an Approved Transferee.

(e) That such purchaser acknowledges that the Issuer, the Borrower, the Trustee, the Placement Agent and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

(f) That none of the Issuer, the City, the State, nor any of their respective directors, executive directors, program managers, counsel, agents, consultants, contractors, officers or employees takes any responsibility for, and the purchaser must not rely upon any of such parties, with respect to information appearing anywhere in this Limited Offering Memorandum, other than the information under the captions “THE ISSUER,” and “ABSENCE OF MATERIAL LITIGATION – The Issuer,” for which the Issuer is responsible and solely as such information relates to the Issuer (the “Issuer’s Portion” of the Limited Offering Memorandum). None of such parties have participated in the preparation of this Limited Offering Memorandum except with respect to the Issuer’s Portion of the Limited Offering Memorandum.

(g) That each purchaser must review this entire Limited Offering Memorandum and the Appendices hereto, including the information relating to the sources of repayment of the Subordinate Bonds, the Housing Project financed with proceeds of the Subordinate Bonds, and the Borrower (including financial and operating data). The

Limited Offering Memorandum is not guaranteed as to its accuracy or completeness, and is not a representation by and is not to be construed as a representation by the Placement Agent.

(h) That each purchaser must be able to bear the economic risk associated with a purchase of securities such as the Subordinate Bonds and must have the knowledge and experience in business and financial matters, including the analysis of a participation in the purchase of similar investments, necessary so as to be capable of evaluating the merits and risks of an investment in the Subordinate Bonds on the basis of the information and review described herein.

No dealer, salesman, or other person has been authorized to give any information or to make any representation, other than the information contained in this Limited Offering Memorandum, in connection with the offering of the Subordinate Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Borrower, the Trustee or the Placement Agent. The information in this Limited Offering Memorandum is subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the Borrower, the Trustee or the Placement Agent since the date hereof. This Limited Offering Memorandum does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which any person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

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SUMMARY INFORMATION

The following is a summary of certain information contained in this Limited Offering Memorandum. This summary is not comprehensive or complete and is qualified in its entirety by reference to the complete Limited Offering Memorandum. Undefined capitalized terms used below are defined in APPENDIX C-1 or APPENDIX C-2 to this Limited Offering Memorandum or elsewhere herein.

The Issuer The Manor Housing Public Facility Corporation (the “Issuer”) is a public facility corporation organized and existing under the laws of the State of Texas (the “State”), is authorized to issue the Subordinate Bonds (as defined under the heading “The Subordinate Bonds” below) pursuant to the Texas Local Government Code, Chapter 303, as amended (the “Act”) and a resolution of the governing body of the Issuer adopted on October 16, 2024 (the “Bond Resolution”) for the purposes of, among others, financing the acquisition, construction and/or operation of an affordable multifamily housing facility. See “THE ISSUER” in this Limited Offering Memorandum.

The Borrower Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the “Borrower”) was formed on September 18, 2023 for the purpose of owning the Housing Project (as defined below). See “THE BORROWER” and “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” in this Limited Offering Memorandum.

The Subordinate Bonds.. The Issuer will issue its Subordinate Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024 (the “Subordinate Bonds”), in the original aggregate principal amount of \$4,000,000, in minimum denominations of \$250,000 or multiples of \$5,000 in excess thereof. The Subordinate Bonds will be issued under the terms of a Subordinate Indenture of Trust, dated as of October 1, 2024 (the “Subordinate Indenture”), between the Issuer and BOKF, NA, as trustee for the Subordinate Bonds (the “Subordinate Trustee”). The Issuer will loan the proceeds of the Subordinate Bonds to the Borrower pursuant to a Subordinate Loan Agreement, dated as of October 1, 2024 (the “Subordinate Loan Agreement”), between the Issuer and the Borrower, and the Borrower’s obligation to repay such loan will be evidenced by a promissory note executed by the Borrower in favor of the Issuer and endorsed by the Issuer to the Subordinate Trustee (the “Subordinate Note”). See “THE SUBORDINATE BONDS” and “THE ISSUER” in this Limited Offering Memorandum.

Housing Project;

Use of Proceeds The proceeds received by the Issuer from the sale of the Subordinate Bonds will be loaned to the Borrower, to be used, together with other available funds of the Borrower and proceeds of the Senior Bonds, the Construction Loan and the Taxable Bridge Loan (each defined herein), to: (i) finance or refinance all or a portion of the cost of the acquisition, construction, improvement, equipping of an affordable multifamily housing facility consisting of 324 dwelling units located at 12200 Tower Road in the City of Manor, Texas (the “City”) on land owned by the Issuer and leased to the Borrower under the Ground Lease (as defined herein) (the “Housing Project”); (ii) fund capitalized interest on the Subordinate Bonds; and (iii) pay the costs of issuance for the Subordinate Bonds. See “THE HOUSING PROJECT AND PLAN OF FINANCE,” “ESTIMATED SOURCES AND USES OF FUNDS,” and “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” in this Limited Offering Memorandum.

The Guarantor Dominion Holdings II, LLC (the “Guarantor”) will guaranty the payment of the Borrower’s Basic Payments (as defined below) and Additional Charges (as defined in the Subordinate Indenture) under the Subordinate Loan Agreement which amounts include current debt service on the Subordinate Bonds. See “THE GUARANTOR” and “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” in this Limited Offering Memorandum.

The Manager The Housing Project will be managed by Dominion Texas Management Services, LLC (the “Manager”). The Dominion property management affiliates, including the Manager,

manage approximately 38,000 units of various types of housing in 22 states. See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” in this Limited Offering Memorandum.

Plan of Finance Simultaneously with the issuance of the Subordinate Bonds, the Borrower will become obligated on various loans and receive funds from Low-Income Tax Credits in order to fund the Housing Project. For a more detailed discussion, see “THE HOUSING PROJECT AND PLAN OF FINANCE – *The Senior Bonds*” in this Limited Offering Memorandum for further discussion and description of the plan of finance.

Interest Payment Interest on the Subordinate Bonds is calculated and payable as follows: (i) with respect to the Current Interest Rate, the 1st day of each month, commencing [_____ 1, 2025] and continuing until payment in full of the Subordinate Bonds, and (ii) with respect to the Accrual Interest Rate, each May 1 commencing after the Deferred Developer Fee is paid in full and there is Surplus Cash (as defined in the Subordinate Indenture) available to make such payment after the required payment of the Current Interest Rate Amount (the “Accrual Interest Rate Payment Date”) and continuing until payment in full of the Subordinate Bonds pursuant to the procedures of The Depository Trust Company (“DTC”), so long as the Subordinate Bonds are in book-entry form, or by check or draft of the Subordinate Trustee mailed to the persons who are the registered owners of the Subordinate Bonds as of the fifteenth day of the calendar month preceding the Interest Payment Date; provided, however, that upon written notice and instructions to the Subordinate Trustee, any Bondholder of Subordinate Bonds in principal amount of \$500,000 or more may receive payment of interest by wire transfer as provided in the Subordinate Indenture. Principal of the Subordinate Bonds will be payable on May 1 as described herein. Principal and premium, if any, will be payable at the designated corporate trust office of the Subordinate Trustee. See “THE SUBORDINATE BONDS – Interest; Maturity; Payment” in this Limited Offering Memorandum.

Initial Purchaser and

Transfer Restrictions The Subordinate Bonds may only be transferred, in whole or in part, to (A) an Approved Buyer, or (B) “accredited investors” as defined in Section 501(a)(1), (2), (3), (7), or (8) of Regulation D promulgated under the 1933 Act (“Institutional Accredited Investors”), (C) a transferee composed solely of Qualified Institutional Buyers or Institutional Accredited Investors, or (D) a deposit or sale of the Subordinate Bonds in or to a trust or custodial entity or arrangement, or any repurchase transaction or other secured lending transaction in which title, rights, or interest in the Subordinate Bonds are granted to a buyer or transferee, with respect to which, in each sale, each of the beneficial owners of which are Qualified Institutional Buyers or “accredited investors” as defined in Section 501(a) of Regulation D promulgated under the 1933 Act ((A) through (D), an “Approved Transferee”). [INITIAL PURCHASER] (the “Initial Purchaser”) as the initial purchaser of the Subordinate Bonds will be required to execute an Investor Letter substantially in the form attached to this Limited Offering Memorandum in “APPENDIX F – FORM OF INVESTOR LETTER.”

The purchase restrictions apply to initial purchases of the Subordinate Bonds and to all subsequent sales or transfers of the Subordinate Bonds. See “NOTICE TO INVESTORS OF THE SUBORDINATE BONDS” and “THE SUBORDINATE BONDS –Transfer Restrictions” in this Limited Offering Memorandum

Redemption and

Prepayment As more fully described herein, the Subordinate Bonds are subject to redemption or prepayment prior to maturity, together with a payment of accrued interest, as set forth in the Subordinate Indenture. See “THE SUBORDINATE BONDS – Redemption and Prepayment” in this Limited Offering Memorandum for a description of the redemption provisions for the Subordinate Bonds.

Security for the

Subordinate Bonds The Subordinate Bonds and the interest thereon will be special, limited obligations of the Issuer and will be payable exclusively from the Trust Estate (as defined in the Subordinate Indenture).

The Subordinate Bonds are secured by a pledge of loan repayments (“Basic Payments”) payable by the Borrower under the terms of the Subordinate Loan Agreement which are anticipated to be sufficient, (together with capitalized interest) if timely paid in full, to pay when due all scheduled payments of (a) the amount of the interest on the Subordinate Bonds calculated at the Current Interest Rate (the “Current Interest Rate Amount”), (b) when payable, the amount of the interest on the Subordinate Bonds calculated at the Accrual Interest Rate (the “Accrual Interest Rate Amount”), and (c) the principal of the Subordinate Bonds. The Subordinate Bonds will be secured by and payable from the Trust Estate which includes (a) Available Revenue (as defined in APPENDIX C-1) which is comprised of (i) Surplus Cash, (ii) Sale or Refinancing Transaction Proceeds (as defined in the Subordinate Indenture), (iii) amounts held in the funds and accounts under the Subordinate Indenture (except the Rebate Fund), including any earnings thereon, (iv) proceeds of the Subordinate Mortgage (defined below), and (v) any other amounts contributed by the Borrower. See “SECURITY FOR THE SUBORDINATE BONDS” in this Limited Offering Memorandum.

Guaranty. Payment of principal of and the Current Interest Rate on the Subordinate Bonds (and the Accrual Interest Rate portion if accelerated and at Maturity) and performance by the Borrower of its obligations under the Subordinate Loan Agreement are fully and unconditionally guaranteed by the Guarantor under the terms of the Guaranty. See “THE GUARANTOR” and “SECURITY FOR THE SUBORDINATE BONDS” in this Limited Offering Memorandum.

Subordinate Mortgage. The Subordinate Bonds will be secured by a Subordinate Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (with Power of Sale), dated October [], 2024 (the “Subordinate Mortgage”), made by the Borrower in favor of the Issuer, as assigned to the Subordinate Trustee, pursuant to an Assignment of Leasehold Deed of Trust, dated October [], 2024, from the Issuer in favor of the Subordinate Trustee, and acknowledged by the Borrower, as the same may be amended, modified or supplemented from time to time (the “Assignment of Subordinate Mortgage”). Pursuant to the assigned Subordinate Mortgage, the Borrower has granted to the Subordinate Trustee a subordinate mortgage lien on, an assignment of leases and rents from, and security interest in substantially all of the Borrower’s leasehold interest in the land (initially subject to the terms of a Ground Lease) upon which the Housing Project is located, and personal property comprising the Housing Project (the “Mortgaged Property”), subject to Permitted Exceptions (as defined in the Subordinate Mortgage). See “SECURITY FOR THE SUBORDINATE BONDS” and “APPENDIX C-2 –SUBSTANTIALLY FINAL FORMS OF THE GUARANTY AND SUBORDINATE MORTGAGE – THE SUBORDINATE MORTGAGE” in this Limited Offering Memorandum.

Regulatory Agreement. The Housing Project will be operated as a qualified residential rental project within the meaning of Section 142(d) of the Code and during the Qualified Project Period (as defined in the Regulatory Agreement) not less than forty percent (40%) of the completed units will be occupied by individuals whose income is sixty percent (60%) or less of area median gross income (“Low Income Tenants”), all pursuant to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2024 (the “Regulatory Agreement”), between the Issuer, the Borrower, the fiscal agent named therein, and the Trustee, with respect to the Senior Bonds and the Subordinate Bonds. Under the Regulatory Agreement, the Borrower will agree that, at all times during its term, the Borrower will rent at least 100% of the units in the Housing 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). See “RENTAL HOUSING REQUIREMENTS” and “APPENDIX A – THE BORROWER, THE

HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Tenant Income and Rent Limitations” in this Limited Offering Memorandum.

Voluntary Borrower

Continuing Disclosure Although the Borrower expects the Subordinate Bonds are exempt from the ongoing reporting requirements under Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”), the Borrower has voluntarily agreed to comply with the provisions of a Continuing Disclosure Agreement, dated as of October 1, 2024 (the “Continuing Disclosure Agreement”), between the Borrower and BOKF, NA, as dissemination agent. The Guarantor is not a party to the Continuing Disclosure Agreement. See “VOLUNTARY CONTINUING DISCLOSURE” and “APPENDIX G – FORM OF VOLUNTARY CONTINUING DISCLOSURE AGREEMENT” in this Limited Offering Memorandum.

Trustee and

Paying Agent BOKF, NA, in Houston, Texas. See “THE SUBORDINATE TRUSTEE” in this Limited Offering Memorandum.

Investment Risks..... An investment in the Subordinate Bonds involves risks, including, but not limited to, those discussed under “BONDHOLDERS’ RISKS” in this Limited Offering Memorandum.

No Rating..... The Subordinate Bonds are not rated by any national rating agency and no rating request has been made to any rating agency. See “BOND RATING NOT APPLIED FOR” in this Limited Offering Memorandum.

Market Study Apartment MarketData, LLC, has prepared a Market Feasibility Study for the Housing Project, dated April 24, 2024. See “BONDHOLDERS’ RISKS – Competition and Reliance on Market Study” and “APPENDIX B – MARKET STUDY” in this Limited Offering.

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LIMITED OFFERING MEMORANDUM

\$4,000,000

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

INTRODUCTORY STATEMENT

The following is a brief introduction to certain matters discussed elsewhere herein and is qualified in its entirety as to such matters by such discussion and the text of the actual documents described or referenced. Any capitalized term not required to be capitalized is used with the meaning assigned herein or in “APPENDIX C-1 – SUBSTANTIALLY FINAL FORMS OF THE SUBORDINATE INDENTURE, SUBORDINATE LOAN AGREEMENT AND REGULATORY AGREEMENT” and “APPENDIX C-2 – SUBSTANTIALLY FINAL FORMS OF THE GUARANTY AND SUBORDINATE MORTGAGE” or in the Subordinate Indenture, the Subordinate Loan Agreement, the Regulatory Agreement, or other document with respect to which the term is used. Any definition of a term contained in the text hereof is for ease of reference only and is qualified in its entirety by any corresponding definition in APPENDIX C-1 or APPENDIX C-2 or the documents with respect to which such term relates. The appendices hereto are an integral part of this Limited Offering Memorandum and each potential investor should review the appendices in their entirety.

General

This Limited Offering Memorandum provides information regarding the above-referenced bonds (the “Subordinate Bonds”) to be issued by the Manor Housing Public Facility Corporation (the “Issuer”) pursuant to the Texas Local Government Code, Chapter 303, as amended (the “Act”), pursuant to a Subordinate Indenture of Trust, dated as of October 1, 2024 (the “Subordinate Indenture”), between the Issuer and BOKF, NA, in Houston, Texas (the “Subordinate Trustee”) and a resolution of the governing body of the Issuer adopted on October 16, 2024 (the “Bond Resolution”). See “APPENDIX C-1 – SUBSTANTIALLY FINAL FORMS OF THE SUBORDINATE INDENTURE, SUBORDINATE LOAN AGREEMENT AND REGULATORY AGREEMENT – THE SUBORDINATE INDENTURE” in this Limited Offering Memorandum.

Pursuant to a Subordinate Loan Agreement, dated as of October 1, 2024 (the “Subordinate Loan Agreement”), between the Issuer and Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership (the “Borrower”), proceeds from the sale of the Subordinate Bonds will be loaned to the Borrower to be used, together with other available funds of the Borrower and proceeds of the Senior Bonds, the Construction Loan and the Taxable Bridge Loan (each as defined herein), in order to: (i) finance or refinance all or a portion of the cost of the acquisition, construction, improvement, equipping, and/or operating of an affordable multifamily housing facility consisting of 324 dwelling units located at 12200 Tower Road in the City of Manor, Texas (the “City”) on land owned by the Issuer and leased to the Borrower under the Ground Lease (as defined herein) (the “Housing Project”); (ii) fund capitalized interest on the Subordinate Bonds; and (iii) pay the costs of issuance for the Subordinate Bonds. The Housing Project is restricted to families whose combined income is at or below sixty percent (60%) of the area median gross income (adjusted for family size). The Borrower’s obligation to repay such loan will be evidenced by a promissory note executed by the Borrower in favor of the Issuer and endorsed by the Issuer to the Subordinate Trustee (the “Subordinate Note”). See “ESTIMATED SOURCES AND USES OF FUNDS,” “RENTAL HOUSING REQUIREMENTS,” and “APPENDIX A – THE BORROWER, THE

HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” in this Limited Offering Memorandum.

The Borrower

The Borrower was formed on September 18, 2023 for the purpose of owning the Housing Project. See “THE BORROWER” and “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” in this Limited Offering Memorandum.

The Guarantor

Dominium Holdings II, LLC, a Minnesota limited liability company (the “Guarantor”) will guaranty the payment of debt service on the Subordinate Bonds pursuant to the terms of a Guaranty Agreement, dated as of October 1, 2024 (the “Guaranty”), executed by the Guarantor in favor of the Subordinate Trustee. See “THE GUARANTOR” and “SECURITY FOR THE SUBORDINATE BONDS – The Guaranty” in this Limited Offering Memorandum for more information with respect to the Guarantor and the Guaranty.

Security for the Subordinate Bonds

Trust Estate. Pursuant to the Subordinate Indenture, the Issuer has assigned and pledged the collateral described below (the “Trust Estate”) to the Subordinate Trustee to secure the payment of the principal of, premium, if any, and interest on the Subordinate Bonds when the same become due and payable:

(a) all rights, title, interest and privileges of the Issuer in, to and under the Subordinate Loan Agreement, including but not limited to all sums which the Issuer is entitled to receive from the Borrower pursuant to the Subordinate Loan Agreement and in particular the loan repayments (the “Basic Payments”) (but excluding the Issuer’s Unassigned Rights), and all other sums (including proceeds of the Subordinate Bonds) which are required to be deposited in the trust accounts in accordance with the Subordinate Indenture, including from Available Revenue (as defined in APPENDIX C-1) and including any amounts paid under the Guaranty, except for the Rebate Fund which is not a part of the Trust Estate; and the earnings derived from the investment of any of the foregoing sums as provided in the Subordinate Indenture;

(b) any and all other property of every name and nature which may from time to time hereafter by delivery or by writing of any kind be subjected to the lien of the Subordinate Indenture by the Issuer, or by anyone on its behalf or with its written consent, including, but not limited to, the interests of the Issuer, if any, under the Collateral Documents (as defined in APPENDIX C-1), and the Subordinate Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same as additional security under the Subordinate Indenture subject to the terms of the Subordinate Indenture; and

(c) all property mortgaged, pledged, and assigned under the Subordinate Mortgage and any and all other property of every name and nature which may from time to time hereafter by delivery or by writing of any kind be subjected to the lien of the Subordinate Indenture by the Issuer or by anyone on its behalf or with its written consent, and the Subordinate Trustee is hereby authorized to hold and apply the same as additional security under the Subordinate Indenture subject to the terms of the Subordinate Indenture.

Basic Payments. The Borrower will agree to make Basic Payments under the terms of the Subordinate Note and the Subordinate Loan Agreement and such Basic Payments will be made solely from

Available Revenue. If fully and promptly paid, the Basic Payments will be in amounts and will be received by the Subordinate Trustee at times sufficient, together with capitalized interest, to pay when due all scheduled principal of and interest on the Subordinate Bonds. See “APPENDIX C-1 – SUBSTANTIALLY FINAL FORMS OF THE SUBORDINATE INDENTURE, SUBORDINATE LOAN AGREEMENT AND REGULATORY AGREEMENT – THE SUBORDINATE INDENTURE” in this Limited Offering Memorandum. Pursuant to the Subordinate Indenture, the Issuer will pledge to the Subordinate Trustee, for the benefit of the holders of the Subordinate Bonds, all of its interest in the Subordinate Loan Agreement (other than certain unassigned rights of the Issuer including without limitation the Issuer’s rights to indemnification and payment of its fees and expenses) to secure payment of the principal of, premium, if any, purchase price of, and interest on the Subordinate Bonds.

The Guaranty. Payment of principal of and the Current Interest Rate on the Subordinate Bonds (and the Accrual Interest Rate portion if accelerated and at Maturity) and performance by the Borrower of its obligations under the Subordinate Loan Agreement are fully and unconditionally guaranteed by the Guarantor, pursuant to the Guaranty. See “SECURITY FOR THE SUBORDINATE BONDS” in this Limited Offering Memorandum.

The Subordinate Mortgage. The Subordinate Bonds will be secured pursuant to a Subordinate Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (with Power of Sale), dated October [___], 2024 (the “Subordinate Mortgage”), by the Borrower in favor of the Subordinate Trustee, pursuant to which the Borrower will provide the Subordinate Trustee with a leasehold mortgage lien on, an assignment of leases and rents from, and a security interest in the same property (the “Mortgaged Property”), subject to Permitted Exceptions (as further described and defined in the Subordinate Mortgage). The mortgage lien granted to the Subordinate Trustee under the Subordinate Mortgage consists generally of the Borrower’s leasehold interest in the land upon which the Housing Project is located. The mortgage lien on the Housing Project granted to the Subordinate Trustee under the terms of the Subordinate Mortgage is junior and subordinate to the mortgage lien granted to the Senior Trustee under the Senior Mortgage (each as defined below). See “APPENDIX C-2 – SUBSTANTIALLY FINAL FORMS OF THE GUARANTY AND SUBORDINATE MORTGAGE – THE SUBORDINATE MORTGAGE,” “– THE GUARANTY,” and “SECURITY FOR THE SUBORDINATE BONDS – The Guaranty” in this Limited Offering Memorandum.

The Subordination Agreement. The Issuer, the Subordinate Trustee and the Initial Purchaser will enter into a Subordination Agreement, pursuant to which the various parties acknowledge that the rights of the Subordinate Trustee under the Subordinate Loan Agreement (including the pledge of Surplus Cash), the Subordinate Mortgage, the Subordinate Bonds and all other documents at any time evidencing, securing guaranteeing or otherwise delivered in connection with the Subordinate Bonds, are junior and subordinate to the rights of the Initial Purchaser for the benefit of the holder of the Senior Loan and the Senior Mortgage. See “SECURITY FOR THE SUBORDINATE BONDS” and “APPENDIX C-2 – SUBSTANTIALLY FINAL FORMS OF THE GUARANTY AND SUBORDINATE MORTGAGE – THE SUBORDINATE MORTGAGE” in this Limited Offering Memorandum.

Tenant Income and Affordability Limitations

The Housing Project will be operated as a qualified residential rental project within the meaning of Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”) and during the Qualified Project Period (as defined in the Regulatory Agreement) not less than forty percent (40%) of the completed units will be occupied by individuals whose income is sixty percent (60%) or less of area median gross income (“Low Income Tenants”), all pursuant to the terms of a Regulatory Agreement and Declaration of Restrictive Covenants, dated as of October 1, 2024 (the “Regulatory Agreement”), between the Issuer, the Borrower, the fiscal agent named therein, and the Trustee, with respect to the Subordinate Bonds and the

Senior Bonds (as defined below). Under the Regulatory Agreement, the Borrower will agree that, at all times during its term, the Borrower will rent at least 100% of the units in the Housing 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). See “RENTAL HOUSING REQUIREMENTS,” “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Tenant Income and Rent Limitations,” and “APPENDIX C-1 – SUBSTANTIALLY FINAL FORMS OF THE SUBORDINATE INDENTURE, SUBORDINATE LOAN AGREEMENT AND REGULATORY AGREEMENT – THE REGULATORY AGREEMENT” in this Limited Offering Memorandum.

Bondholders’ Risks

Certain risks associated with an investment in the Subordinate Bonds are discussed under “BONDHOLDERS’ RISKS” in this Limited Offering Memorandum.

Restrictions on Initial Purchase

THE SUBORDINATE BONDS ARE OFFERED AND SOLD IN AUTHORIZED MINIMUM DENOMINATIONS OF \$250,000 SOLELY TO NO MORE THAN 35 INSTITUTIONS THAT ARE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”) (AN “APPROVED BUYER”). INITIAL PURCHASERS OF THE SUBORDINATE BONDS WILL BE REQUIRED TO EXECUTE AN INVESTOR LETTER SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS APPENDIX F. IT IS NOT ANTICIPATED THAT THERE WILL BE MORE THAN 35 HOLDERS OF THE SUBORDINATE BONDS. See “NOTICE TO INVESTORS OF THE SUBORDINATE BONDS” and “THE SUBORDINATE BONDS – Transfer Restrictions” in this Limited Offering Memorandum.

Miscellaneous

This Limited Offering Memorandum (including the appendices hereto) contains descriptions of, among other matters, the Subordinate Bonds, the Subordinate Indenture, the Subordinate Loan Agreement, the Subordinate Mortgage, the Assignment of Subordinate Mortgage, the Regulatory Agreement, the Guaranty, the Partnership Agreement, the Senior Bonds, the Senior Indenture, the Senior Loan Agreement, the Funding Loan Agreement, the Project Loan Agreement, the Construction Loan Agreement, the Construction Phase Financing Agreement, [the Senior Mortgage], the Taxable Bridge Loan, [the Taxable Bridge Mortgage], [the Permanent Mortgage], the Subordination Agreement[s], the Issuer, the Housing Project, the Borrower, the General Partner, the Guarantor, [the Sole Member, the Manager, the Class B Limited Partner, the Investor Limited Partner], the Construction Lenders, the Funding Lender, and the Taxable Bridge Lender, each as defined herein. Such descriptions and information do not purport to be comprehensive or definitive. All references to documents described herein are qualified in their entirety by reference to such documents, copies of which are available for inspection at the designated corporate trust office of the Subordinate Trustee.

THE ISSUER

[TO BE UPDATED BY ISSUER’S COUNSEL]

Except for the information under this heading and “ABSENCE OF MATERIAL LITIGATION – The Issuer,” solely as such information relates to the Issuer, the Issuer has not participated in the preparation of this Limited Offering Memorandum and assumes no responsibility as to the accuracy or completeness of any information in this Limited Offering Memorandum.

The Issuer is a public facility corporation organized and existing under the laws of the State of Texas (the “State”) and authorized under the Act. Pursuant to the Act, the Issuer is empowered to issue its Subordinate Bonds to provide funds for financing or refinancing the costs of the acquisition, construction, or operation of a “project,” as defined in the Act, including facilities such as the Housing Project to be financed with proceeds of the Subordinate Bonds. The Issuer approved the issuance of the Subordinate Bonds pursuant to the Bond Resolution.

The Issuer is governed by a Board of Directors (the “Issuer Board”) composed of the seven members of the City Council of the City of Manor, Texas. The members of the Issuer serve for terms not exceeding four years, and the current members of the Board, their offices (if any), and the dates on which their respective terms expire are as follows:

<u>Name</u>	<u>Office</u>	<u>Term Expiration</u>
Dr. Christopher Harvey	President	
Emily Hill	Vice President	
Anne Weir	Member	
Maria Amezcua	Member	
Sonia Wallace	Member	
Aaron Moreno	Member	
Deja Hill	Member	

The Issuer has assets and may obtain additional assets in the future. However, such assets are not pledged to secure payment of the Subordinate Bonds, and the Issuer has no obligation or expectation of making such assets subject to the lien of the Subordinate Indenture. The Issuer has no taxing power and has committed no source of funds for payment of the Subordinate Bonds other than the Trust Estate established under the Subordinate Indenture. The Issuer does not have the power to pledge its general credit or to pledge the general credit or taxing power of the City, the State or of any political subdivision thereof. All payments made pursuant to the Subordinate Loan Agreement will be made directly from the Borrower to the Subordinate Trustee for disbursement to the Bondholders.

The Issuer does not and will not in the future monitor the financial condition of the Borrower, the Guarantor, Dominion Texas Management Services, LLC (the “Manager”), or the use or operation of the Housing Project, or otherwise monitor payment of the Subordinate Bonds or compliance with the documents relating thereto. The responsibility for the use and operation of the Housing Project will rest entirely with the Borrower and the Manager and not with the Issuer. The Issuer will rely entirely upon the Subordinate Trustee, the Borrower and the Manager, as applicable, to carry out their respective responsibilities under the Subordinate Loan Agreement, the Subordinate Indenture, the Regulatory Agreement and the Tax Certificate (as defined in the Subordinate Indenture) with respect to the Housing Project to be financed with proceeds of the Subordinate Bonds.

The Issuer has determined that financial or operating data concerning the Issuer is not material to any decision to purchase, hold or sell the Subordinate Bonds, and the Issuer will not provide any such information.

None of the Issuer, its past, present, and future directors, members, officers, program managers, counsel, advisors, employees, agents, contractors, consultants and executive director, its past, present, and future directors, members, officers, program managers, counsel, advisors, employees, agents, contractors, consultants and executive director, or the State has furnished, reviewed, investigated or verified the information contained in this Limited Offering Memorandum other than the information contained under this heading and the heading entitled “ABSENCE OF MATERIAL LITIGATION – The Issuer,” solely as such information relates to the Issuer. The Issuer has not, and will not, undertake any responsibilities to provide continuing disclosure with respect to the Subordinate Bonds or the security therefor, and the Issuer will have no liability to holders of the Subordinate Bonds with respect to any such disclosure.

No Recourse to the Issuer

PAYMENT OF THE PRINCIPAL OF THE SUBORDINATE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER AND WILL BE PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE SUBORDINATE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE CITY, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY TEXAS CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE CITY, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF. THE SUBORDINATE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE SUBORDINATE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SUBORDINATE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, MEMBER, PROGRAM MANAGER, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EXECUTIVE DIRECTORS, MEMBER, PROGRAM MANAGERS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS OR AGENTS, IF ANY, AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE SUBORDINATE BONDS.

THE BORROWER

The information under this heading has been provided solely by the Borrower and has not been independently verified by the Issuer, Colliers Securities LLC (the “Placement Agent”) or any of their respective counsel, members, directors, executive directors, program managers, contractors, consultants, agents, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer, the Placement Agent or any of their respective counsel, members, directors, executive directors, program managers, contractors, consultants, agents, officers or employees.

The Borrower is Manor Leased Housing Associates I, Limited Partnership, a Texas limited partnership, formed for the sole purpose of acquiring and constructing the Housing Project and upon

issuance of the Subordinate Bonds, its general partner will be MHPFC TRGP1, LLC, a Texas limited liability company (the “General Partner”), a public nonprofit housing finance corporation and instrumentality of the City created and existing under the laws of the State, whose sole member is the Issuer (in such capacity, the “Sole Member”), and the Class B Limited Partner is Manor Leased Housing Associates LP I, LLC, a Minnesota limited liability company (“Class B Limited Partner”). The General Partner will own a 0.005% interest in the Borrower, (ii) the Class B Limited Partner will own a 0.005% interest in the Borrower, (iii) RBC Community Investments, LLC, an Illinois limited liability company (the “Investor Limited Partner”) will own a 99.98% interest in the Borrower, and (iv) RBC Community Investments Manager II, Inc., a Delaware corporation (the “Special Limited Partner”) will own a 0.001% interest in the Borrower.

The Borrower will not have any other assets other than the Housing Project and does 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 Housing Project. Affiliates of the Borrower and their respective principals and affiliates, however, are engaged in, and will continue to engage in, the acquisition, development, ownership and management of similar types of affordable projects and they may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Housing Project.

The obligations and liabilities of the Borrower under the Subordinate Loan Agreement are of a nonrecourse nature. The Amended and Restated Agreement of Limited Partnership of the Borrower (the “Partnership Agreement”) and certain other related documents executed by the Borrower, its partners and/or their affiliates will contain numerous terms regarding the funding, operation and cash flow of the Housing Project.

For additional descriptions of the Borrower, the General Partner, and the Class B Limited Partner, see “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” in this Limited Offering Memorandum.

THE GUARANTOR

The information under this heading has been provided solely by the Guarantor and has not been independently verified by the Issuer, the Placement Agent or any of their respective counsel, members, directors, executive directors, program managers, contractors, consultants, agents, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information is made by the Issuer, the Placement Agent or any of their respective counsel, members, directors, executive directors, program managers, contractors, consultants, agents, officers or employees.

The Guarantor will guaranty the payment of debt service on the Subordinate Bonds and the payments of the Borrower relating to the Subordinate Bonds under the Subordinate Loan Agreement. The Guarantor was initially organized in 2013. The Guarantor is a Minnesota limited liability company, 100% owned by Polaris Holdings I, LLC, a Minnesota limited liability company (“Polaris Holdings”). Polaris Holdings is an entity that owns partnership interests in over 178 partnerships (the “Partnerships”) that own affordable housing projects developed by Dominion Development & Acquisition, LLC, a Minnesota limited liability company (“Dominium”). The principals in Polaris Holdings are the principals in Dominion. See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE GUARANTOR” in this Limited Offering Memorandum.

THE HOUSING PROJECT AND PLAN OF FINANCE

The Housing Project

The Subordinate Bonds are being issued to finance a portion of the cost of the acquisition, construction and equipping of the Housing Project which will be an affordable multifamily housing facility consisting of 324 dwelling units located at 12200 Tower Road in the City on land owned by the Issuer and leased to the Borrower under the Ground Lease (as defined herein). The Housing Project will contain the following approximate unit mix: (i) 78 two-bedroom units, (ii) 180 three-bedroom units, and (iii) 66 four-bedroom units. For detailed information with respect to the Housing Project, see “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – General Description of Housing Program” in this Limited Offering Memorandum.

The Housing Project will be rent and income restricted pursuant to the Regulatory Agreement. See “RENTAL HOUSING REQUIREMENTS” in this Limited Offering Memorandum.

Land Acquisition

The Borrower will purchase the property pursuant to an Assignment and Assumption of Real Estate Purchase Agreement, dated October 1, 2023, in which Dominion Acquisition, LLC assigned its interest in a Real Estate Purchase Agreement, dated September 20, 2023 (as amended, the “Purchase Agreement”) to the Borrower. The Purchase Agreement includes approximately 15.42 acres of land (the “Parcel”) for a purchase price of \$4,500,000. See also “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Unit Mix and Rental Rates” in this Limited Offering Memorandum.

The Borrower will lease the site of the Housing Project (the “Site”) to the Issuer and will lease the Site back from the Issuer pursuant to a Ground Lease, to be dated as of the date of issuance of the Subordinate Bonds (as amended, the “Ground Lease”). See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT” of this Limited Offering Memorandum.

The Senior Mortgage, the Subordinate Mortgage, the Regulatory Agreement, the Taxable Bridge Mortgage, the LIHTC Declaration, and various other recordable documents will all be recorded against the Site.

Construction Contract

The Borrower entered into a construction contract (the “Construction Contract”) for the construction of the Housing Project. See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Construction of the Housing Project” in this Limited Offering Memorandum for a description of the Construction Contract.

Other Project Funding Sources

The Construction Loan. On the date of issuance of the Subordinate Bonds, Associated Bank, National Association (the “Agent”) and Great Southern Bank (together with the Agent, the “Construction Lenders”) agree to jointly and severally provide a construction loan to the Borrower in the amount of \$[60,815,000] (the “Construction Loan”), pursuant to a Syndicated Construction Loan Agreement (the “Construction Loan Agreement”). [The Construction Loan will be deposited to a dedicated cash collateral fund (the “Collateral Fund”), established under the Senior Indenture, and such funds will be invested in certain Eligible Investments (as defined in the Construction Loan Agreement). The Collateral Fund will be

verified pursuant to [_____]. The Construction Lenders will make loan advances (“Construction Loan Advances”) upon draw requests from the Borrower in accordance with the Construction Loan Agreement and a Disbursing Agreement (defined below), to pay a portion of the construction costs of the Housing Project. Construction Loan Advances will be evidenced by a corresponding promissory note. The Borrower will repay Construction Loan Advances with Senior Bond proceeds as set forth in the Senior Indenture. The Construction Loan will mature on October [___], 2027, subject to a six month extension upon satisfying certain conditions set forth in the Construction Loan Agreement. At Conversion, the Construction Loan will be paid in full with amounts on deposit in the [Collateral Fund] or with the Title Company, as applicable, pursuant to the Senior Indenture and all security related to the Construction Loan will be released or assigned to the Initial Funding Lender,

The Senior Bonds. Simultaneously with the issuance of the Subordinate Bonds, the Issuer will issue its Multifamily Housing Revenue Bonds (Tower Road Apartments), Series 2024 (the “Senior Bonds”), in the original principal amount of \$[60,815,000], pursuant to a Trust Indenture, dated as of October 1, 2024 (the “Senior Indenture”), between the Issuer and BOKF, NA (the “Senior Trustee”), the proceeds of which will be utilized to fund a loan to the Borrower (the “Senior Loan”) pursuant to the Loan Agreement, dated as of October 1, 2024 (the “Senior Loan Agreement”), among the Borrower and the Issuer. The Borrower’s obligation to repay the Senior Loan will be evidenced by a promissory note from the Borrower in favor of the Issuer, in the amount of the Senior Bonds, as endorsed to the Senior Trustee (the “Senior Note”). The payment of principal of and interest on the Senior Bonds will be secured by all of the Issuer’s right, title and interest in, to and under the Senior Loan Agreement and the Senior Note, including, without limitation, all rents, revenues and receipts derived by the Issuer from the Borrower relating to the Housing Project and including, without limitation, a pledge of revenues and all other Borrower payments derived by the Issuer under and pursuant to, the Senior Loan Agreement, and any and all funds and accounts held under the Senior Indenture. The payment of principal of and interest on the Senior Note will be secured by [TO BE CONFIRMED][a pledge of revenues, an Environmental Indemnity, an Assignment of Management Agreement and Consent, a Replacement Reserve Agreement, an Assignment of Project Facilities Documents, a General Partner Pledge, a Developer Fee Pledge, an Assignment of Capital Contributions, a Class B Limited Partner Pledge, a Guaranty of Recourse Obligations, a Guaranty of Debt Service and Stabilization and a Guaranty of Completion]. The payment obligations of the Borrower under the Senior Loan Agreement will also be secured by a [TO BE CONFIRMED][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 Senior Funding Loan Agreement (the “Senior Mortgage”), made by the Borrower in favor of a deed of trust trustee for the benefit of the Issuer, as assigned to the Senior Trustee]. *The Senior Bonds are being offered pursuant to a separate offering document and are not being offered under the terms of this Limited Offering Memorandum.*

Permanent Financing. The Federal Home Loan Mortgage Corporation (“Freddie Mac”), [will enter][has entered] into a forward commitment with JLL Real Estate Capital, LLC, a Delaware limited liability company (the “Initial Funding Lender”), dated October 1, 2024 (the “Freddie Mac Commitment”), whereby Freddie Mac [will commit][has committed], subject to the satisfaction on or before [_____] (the “Forward Commitment Maturity Date”) of the conditions to conversion set forth in the Construction Phase Financing Agreement, dated October [___], 2024 (the “Construction Phase Financing Agreement”), between, the Agent, JLL Real Estate Capital, LLC (“Freddie Mac Servicer”) and Freddie Mac, and acknowledged, accepted and agreed to by the Borrower, and the Freddie Mac Commitment, to facilitate the financing of the Housing Project in the Permanent Phase.

On the Conversion Date, if the conditions to conversion are satisfied on or before the Forward Commitment Maturity Date, the Senior Bonds will be subject to mandatory tender in accordance with the Senior Indenture. A portion of the Senior Bonds will be paid with amounts on deposit under the Senior Indenture, and the remaining Senior Bonds will be converted to a Governmental Note executed and

delivered by the Manor Housing Public Facility Corporation, as governmental lender (the “Governmental Lender”) and purchased by the Initial Funding Lender (the “Funding Loan”), pursuant to the Funding Loan Agreement, dated October [___], 2024 (the “Funding Loan Agreement”), between the Governmental Lender, BOKF, NA, as fiscal agent (the “Fiscal Agent”), and the Initial Funding Lender, and the Project Loan Agreement, dated October [___], 2024 (the “Project Loan Agreement”), by and among the Governmental Lender, the Fiscal Agent and the Borrower, which will supersede the Senior Indenture and the Senior Loan Agreement, respectively. The Borrower will execute an Amended and Restated Project Note (the “Project Note”) to evidence its obligations under the Project Loan Agreement and a Multifamily Open-End Leasehold Mortgage, Assignment of Rents, Security Agreement and Fixture Financing Statement (the “Permanent Mortgage”) with respect to the Housing Project to secure its obligations under the Project Loan Agreement, which Project Note and Permanent Mortgage will be held by the Fiscal Agent under the Funding Loan Agreement to secure the Governmental Note. On the Conversion Date, the Borrower will also enter into a Continuing Covenant Agreement with the Initial Funding Lender (the “Continuing Covenant Agreement”). Pursuant to the Freddie Mac Commitment, Freddie Mac agrees to purchase the Funding Loan from the Initial Funding Lender upon the date of satisfaction of the conditions set forth in the Freddie Mac Commitment (the “Freddie Mac Purchase Date”), on which date, the Initial Funding Lender will assign to Freddie Mac all of its rights and interest in the Governmental Note, the Funding Loan Agreement, the Continuing Covenant Agreement and the other related financing documents.

[At the request of the [Funding Lender], the Subordinate Trustee and the Fiscal Agent will enter into a Subordination Agreement, dated as of October 1, 2024, consented to by the Borrower (the “Funding Loan Subordination Agreement”).]

Taxable Bridge Loan. On or before the date of issuance of the Subordinate Bonds and Senior Bonds, the Borrower will receive proceeds from a taxable bridge loan (the “Taxable Bridge Loan”) from Bremer Bank, National Association (the “Taxable Bridge Lender”), in the original principal amount of \$[8,880,485], pursuant to the [Bridge Loan Agreement] (the “Taxable Bridge Loan Agreement”). The obligation to repay the Taxable Bridge Loan will be evidenced by a promissory note (the “Taxable Bridge Note”) from the Borrower to the Taxable Bridge Lender, which will bear interest at a rate of [____]%. The Taxable 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 “Taxable Bridge Mortgage”), made by the Borrower in favor of a deed of trust trustee for the benefit of the Taxable Bridge Lender]. The Borrower will use the proceeds of the Taxable Bridge Loan to finance a portion of the construction costs of the Housing Project. On the date of issuance of the Subordinate Bonds, the Borrower, the Agent, the Senior Trustee, the Bridge Lender (as defined below) and Commercial Partners Title, a division of Chicago Title Insurance Company (the “Title Company”), in its capacity as disbursing agent, will enter into a Disbursing Agreement (the “Disbursing Agreement”), to govern the disbursement of the proceeds of the Construction Loan, the Senior Bonds, and the Bridge Loan Funds (as defined below).

[At the request of the Taxable Bridge Lender, the Issuer, the Subordinate Trustee, and the Taxable Bridge Lender will enter into a Subordination Agreement, dated the Closing Date, acknowledged by the Borrower (together with the Funding Loan Subordination Agreement, the “Subordination Agreements”).]

Deferred Developer Fee. The Borrower will defer a portion of its developer fee as a source of funding. The Borrower’s deferred developer fee will be repaid over time through surplus cash flow received from the operation of the Housing Project.

Low Income Housing Tax Credit Equity

The Borrower has admitted the Investor Limited Partner, as a 99.98% limited partner in the Borrower. Pursuant to the admission of the Investor Limited Partner, the funding of the federal low income housing tax credit equity is expected to total approximately \$36,532,087 (the “LIHTC Equity”). It is envisioned that one or more of the installments of the LIHTC Equity will be used to repay the Taxable Bridge Loan [in full and to repay a portion of the Senior Bonds].

Disbursement of Subordinate Bond Proceeds

On the date of issuance of the Subordinate Bonds, the proceeds of the Subordinate Bonds are expected to be deposited in part into the Current Interest Rate Account of the Bond Fund of the Subordinate Indenture, to be applied to the payment of interest on the Subordinate Bonds through and including [_____ 20__] in accordance with the terms of the Subordinate Indenture, with the balance to be deposited into the Project Fund of the Subordinate Indenture, to be disbursed in accordance with the terms of the Subordinate Indenture and the Closing Memorandum (as defined in the Subordinate Indenture), to or upon the order of the Borrower, in payment or reimbursement of Project Costs (as defined in the Subordinate Indenture).

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources of funds to finance the acquisition, construction and equipping of the Housing Project are specified below:

Sources of Funds:

Senior Bonds	\$ 60,819,515
Taxable Bridge Loan ⁽¹⁾	8,880,485
Construction Loan	64,819,515
Subordinate Bonds	4,000,000
LIHTC Equity ⁽¹⁾	36,532,087
Interest on Equity	316,720
Bond Reinvestment Earnings	8,847,864
General Partner/Investor Limited Partner Equity	200
Deferred Developer, Contractor Fees and Borrower Contribution	7,848,873
Total Sources of Funds	<u>\$192,065,259</u>

Uses of Funds:

Redemption of Series 2024A Cash Collateralized Bonds	\$ 64,819,515
Acquisition Cost	4,500,000
Construction and Equipping Costs (including Contingency and Contractor Fee)	73,598,023
Architect Fees	3,063,770
Costs of Issuance ⁽²⁾	3,588,317
Financing and other Developer Soft Costs	632,508
Construction Loan and Taxable Bridge Loan Capitalized Interest	21,551,135
Capitalized Interest (Subordinate Bonds)	840,000
Operating Reserve Fund	1,541,950
Other Project Reserves and Escrows	3,748,329
Developer Fee	14,181,711
Total Uses of Funds	<u>\$192,065,259</u>

- (1) The Borrower will obtain the Taxable Bridge Loan from the Taxable Bridge Lender in the amount of \$19,635,889 to bridge a portion of the LIHTC Equity.*
- (2) Includes Placement Agent's fee; fees and expenses of Bond Counsel, counsel for the Borrower and Guarantor, counsel for Senior Funding Lender, Taxable Bridge Lender, Investor Limited Partner, the Placement Agent, the Subordinate Trustee, the Issuer and other parties to the financing for the Housing Project, the initial fee of the Subordinate Trustee, the initial fee of the Issuer, accountant's fees, the printing costs, recording and filing fees, and miscellaneous costs and related expenses.*

For detailed information with respect to the Housing Project, see “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER” and “APPENDIX B – MARKET STUDY” in this Limited Offering Memorandum.

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DEBT SERVICE SCHEDULE

The following table sets forth, for each year ending May 1, the annual amounts required to be paid with respect to the Subordinate Bonds, assuming no prepayments are made other than mandatory sinking fund redemptions. Principal of the Subordinate Bonds will be payable annually on May 1, commencing on May 1, 2056, and interest will be payable as set forth under the heading “THE SUBORDINATE BONDS – Interest, Maturity and Payment” in this Limited Offering Memorandum.

<u>Year Ending (May 1)</u>	<u>Principal Amount</u>	<u>Current Interest Rate Amount⁽¹⁾</u>	<u>Scheduled Accrual Interest Rate Amount⁽²⁾</u>	<u>Projected Annual Debt Service⁽³⁾</u>
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
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2053				
2054				
2055				
2056				
2057				
2058				
2059				
2060				
2061				
2062				
2063				
2064				
Total	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Note: Amounts may not foot due to rounding.

⁽¹⁾ Interest through [_____ 20__] is capitalized.

⁽²⁾ The annual Accrual Interest Rate Amounts shown above are for illustrative purposes only. The actual payment of the Accrual Interest Rate Amounts will vary based upon numerous factors including available Surplus Cash described under the headings “SECURITY FOR THE SUBORDINATE BONDS” and “BONDHOLDERS’ RISKS” in this Limited Offering Memorandum.

⁽³⁾ This is a projected amount and actual results will vary based upon the actual Accrual Interest Rate payments. The actual annual debt service on the Subordinate Bonds will depend on the actual payment of the Accrual Interest Rate Amount based upon actual cash flow and available Surplus Cash as described under the heading “SECURITY FOR THE SUBORDINATE BONDS” in this Limited Offering Memorandum.

THE SUBORDINATE BONDS

Interest; Maturity; Payment

The Subordinate Bonds will be originally dated their date of issuance and will mature in the amounts set forth on the inside front cover page of this Limited Offering Memorandum. The Subordinate Bonds will be issued in the denominations of \$250,000 or multiples of \$5,000 in excess thereof. Principal of, interest, and premium, if any, on the Subordinate Bonds will be payable when due upon surrender at the designated corporate trust office of the Subordinate Trustee in Houston, Texas.

The Subordinate Bonds, and the interest thereon, are special, limited obligations of the Issuer, payable solely from the sources pledged thereto under the Subordinate Indenture and summarized under the caption "SECURITY FOR THE SUBORDINATE BONDS" in this Limited Offering Memorandum. The Subordinate Bonds will not constitute a debt or a loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the City, or the State, or of any political subdivision thereof, within the meaning of any Texas constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer, the City, the State, or of any political subdivision thereof. The Subordinate Bonds will not constitute, directly or indirectly, or contingently obligate or otherwise constitute a general obligation of or a charge against the general credit of the Issuer, but will be special limited obligations of the Issuer payable solely from the sources described herein, but not otherwise. The Issuer has no taxing power. The Subordinate Bonds are not secured by any credit enhancement and there is no obligation on the part of any person to obtain or provide any credit enhancement.

No recourse shall be had for the payment of the principal of, or interest on the Subordinate Bonds against any past, present, or future officer, director, executive director, member, program manager, employee, counsel, advisor, contractor, consultant or agent of the Issuer, or of any successor to the Issuer, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, executive directors, members, program managers, employees, counsel, advisors, contractors, consultants or agents, if any, as such is expressly waived and released as a condition of and consideration for the execution and issuance of the Subordinate Bonds.

Interest on the Subordinate Bonds is calculated and payable as follows:

(a) *Current Interest Rate.* The Current Interest Rate is payable monthly, commencing [_____] 1, 2025], on each monthly Interest Payment Date for the Current Interest Rate. The Current Interest Rate shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) thirty (30) day months.

(b) *Accrual Interest Rate.* The Accrual Interest Rate shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12) thirty (30) day months. The Accrual Interest Rate shall accrue on a simple basis and any unpaid Accrual Interest Rate Amount shall not compound. Interest at the Accrual Interest Rate is payable annually on the Accrual Interest Payment Date from Surplus Cash as described herein.

On each Accrual Interest Rate Payment Date, the Subordinate Trustee shall apply any payments to the Accrual Interest Rate Amount, first, up to the amount equal to any and all accrued but unpaid Accrual Interest Rate Amount due on the Subordinate Bonds through and including December 31 of the prior calendar year, such amount to be applied to the payment of all such accrued but previously unpaid Accrual Interest Rate Amount;

All payments due with respect to the Accrual Interest Rate (if the Subordinate Bonds have not been accelerated and have not matured) shall be made solely from Surplus Cash and amounts on deposit with the Subordinate Trustee after the payment of the Current Interest Rate Amount for the calendar year that precedes the applicable Accrual Interest Rate Payment Date (e.g., the payment to be made hypothetically on [____ 1, 20__] will be based on Available Revenue for [20__] after the full repayment of the Deferred Developer Fee). The Borrower's obligation to make payments of the Accrual Interest Rate Amount is subject to the availability of Surplus Cash and amounts on deposit in the funds and accounts established under the Subordinate Indenture, the Current Interest Rate Amount being current, and the full repayment of the Deferred Developer Fee. Subject to the preceding sentence, in the event any payment is not made as required by the Subordinate Bonds, the payment of the Accrual Interest Rate Amount not made shall continue as an obligation until the amount not paid shall have been fully paid. The Subordinate Trustee shall not ask the Guarantor for any payments under the Guaranty for the Accrual Interest Rate Amount unless the Subordinate Bonds have been accelerated or at Maturity.

Interest is payable by check or draft mailed by the Subordinate Trustee to the registered Bondholders on the applicable Record Date. Interest on the Subordinate Bonds will be computed on the basis of a year of three hundred sixty days consisting of twelve thirty-day months. Upon notice to the Subordinate Trustee accompanied by proper wire instructions, any registered Bondholder of at least \$500,000 aggregate principal amount of the Subordinate Bonds as of the relevant Record Date may elect to be paid the interest on such Subordinate Bonds payable on the Interest Payment Date by Federal Reserve System wire transfer in immediately available funds to any bank in the United States which is a member of the Federal Reserve System and which is specified by such Bondholder. See "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" in this Limited Offering Memorandum.

The Record Date with respect to any Interest Payment Date means the fifteenth day of the calendar month (whether or not a business day) next preceding such Interest Payment Date or, with respect to Defaulted Interest (as defined in the Subordinate Indenture), a special Record Date established by notice mailed by the Subordinate Trustee on behalf of the Issuer which shall be a date at least ten (10) days but not more than thirty (30) days before the date selected by the Subordinate Trustee for payment of such Defaulted Interest. Such notice of a Special Record Date will be mailed not less than ten (10) days preceding such Special Record Date, to the Bondholders at the close of business on such Special Record Date.

The Subordinate Bonds will be subject to redemption upon the terms and conditions described under the heading "THE SUBORDINATE BONDS – Redemption and Prepayment" in this Limited Offering Memorandum. The Subordinate Bonds are initially registered to Cede & Co., as nominee for DTC as securities depository. Purchases by Beneficial Owners are to be made in book-entry form in \$250,000 denominations or multiples of \$5,000 in excess thereof. Payments to Beneficial Owners will be made as described under the heading "THE SUBORDINATE BONDS – Book Entry Only System" below and in APPENDIX E.

Book-Entry Only System

The Subordinate Bonds will be issued in book-entry form. The Depository Trust Company ("DTC"), New York, New York will act as securities depository for the Subordinate Bonds. The Subordinate Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully registered Subordinate Bond will be issued for each maturity in the total aggregate principal amount due on such maturity and will be deposited with DTC. See "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" in this Limited Offering Memorandum.

Redemption and Prepayment

Optional Redemption. The Subordinate Bonds are subject to redemption and prepayment upon written request by the Borrower to the Subordinate Trustee on May 1, 2025, and on any Business Day thereafter, in whole or in part, and if in part, in principal increments of \$5,000 and by lot, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Subordinate Bonds to be redeemed, plus the applicable Early Prepayment Premium (as defined below), plus accrued interest thereon to, but not including, the Redemption Date. “Early Prepayment Premium” as used in this subsection shall mean the premiums set forth in the table below.

<u>Redemption Date</u>	<u>Premium</u>
Date of Issuance through April 30, 2025	Non-Callable
May 1, 2025 through April 30, 2026	106%
May 1, 2025 through April 30, 2027	105
May 1, 2025 through April 30, 2028	104
May 1, 2025 through April 30, 2029	103
May 1, 2025 through April 30, 2030	102
May 1, 2025 through April 30, 2031	101
May 1, 2031 and thereafter	100

Pursuant to the terms of the Funding Loan Subordination Agreement, any prepayment or defeasance of the Subordinate Bonds is subject to the prior written consent of the Senior Funding Lender.

Mandatory Sinking Fund Redemption. The Subordinate Bonds maturing May 1, 2065 are subject to mandatory redemption by lot in the principal increments of \$5,000, at par and accrued interest without premium, on the dates and in the principal amounts set forth below:

Subordinate Bonds Maturing May 1, 2065

<u>Sinking Fund Redemption Date (May 1)</u>	<u>Principal Amount</u>	<u>Sinking Fund Redemption Date (May 1)</u>	<u>Principal Amount</u>
2055	\$290,000	2060	\$405,000
2056	310,000	2061	435,000
2057	330,000	2062	465,000
2058	355,000	2063	500,000
2059	380,000	2064 ⁽¹⁾	530,000

⁽¹⁾Stated Maturity.

At the option of the Borrower exercised not less than thirty-five (35) days prior to any Sinking Fund Redemption Date, the Borrower may (i) deliver to the Subordinate Trustee for cancellation Subordinate Bonds in any aggregate principal amount desired, or (ii) receive a credit in respect of such sinking fund obligation for any Subordinate Bonds which prior to such date have been purchased or redeemed (other than through the operation of the sinking fund) and not otherwise previously applied as a credit against sinking fund payments.

Extraordinary Redemption Upon Certain Events of Casualty or Condemnation or Changes in Law. All of the Subordinate Bonds are subject to redemption, in whole, at the option of the Borrower, on the earliest date for which timely notice of call can be given after the Issuer’s receipt of the Borrower’s notice of exercise, at their principal amount plus accrued interest to the date of redemption, if the Housing Project is taken by condemnation, damaged or destroyed, or in the event of certain changes in the Constitution or

laws of the United States or the State, as provided in the Subordinate Indenture and Subordinate Loan Agreement.

No Redemption Prior to Placed in Service Date. Notwithstanding anything to the contrary contained in the Subordinate Indenture, the Subordinate Bonds shall not be optionally redeemed prior to the date upon which the Borrower has advised the Subordinate Trustee in writing that the Housing Project has been placed in service for purposes of Section 42 of the Code.

Mandatory Redemption of Subordinate Bonds Upon Determination of Taxability. All Outstanding Subordinate Bonds are subject to mandatory redemption, in whole, on the first Business Day for which proper notice of redemption can be given after the date upon which the Subordinate Trustee receives written notice of a Determination of Taxability, at a Redemption Price equal to one hundred percent (100%) of the principal amount of Subordinate Bonds so redeemed, together with interest accrued to the Redemption Date.

A “Determination of Taxability” means a determination that interest income on any Subordinate Bond is included in gross income for federal income tax purposes under Section 103 of the Code, for any reason other than that the Holder is a Substantial User of the Housing Project or a Related Person thereto, which determination will be deemed to have been made upon the occurrence of the first to occur of the following: (i) the date on which any change in law or regulation becomes effective or on which the Internal Revenue Service has issued any private ruling, technical advice, or any other written communication to the effect that the interest income on any of the Subordinate Bonds is included in gross income for federal income tax purposes; or (ii) the date on which the Borrower receives notice from the Subordinate Trustee or the Issuer in writing that the Internal Revenue Service has issued a thirty-day letter or other notice which asserts that the interest on such Subordinate Bond is included in gross income for federal income tax purposes. See also “BONDHOLDERS’ RISKS – Tax Exemption of Interest on the Subordinate Bonds” in this Limited Offering Memorandum.

Acceleration. Upon an Event of Default under the Subordinate Indenture, all Subordinate Bonds are subject to acceleration and prepayment on any date selected by the Subordinate Trustee at their principal amount, plus accrued interest, without premium.

Notice of Redemption; Payment

The Subordinate Trustee is required to cause notice of the call for any redemption to be mailed to the then registered Bondholder of each Subordinate Bond to be redeemed, by first class mail, not less than twenty (20) days but not more than sixty (60) days prior to the date fixed for redemption to each Registered Holder of a Subordinate Bond to be redeemed. All Subordinate Bonds so called for redemption, provided funds for their redemption have been duly deposited, will cease to bear interest on the specified Redemption Date and (except for the purpose of payment) shall no longer be protected by the Subordinate Indenture and shall not be deemed Outstanding under the Subordinate Indenture, and shall thereafter be payable solely from the funds provided for payment.

Transfer Restrictions

The Subordinate Bonds may only be transferred, in whole or in part, (A) an Approved Buyer, or (B) “accredited investors” as defined in Section 501(a)(1), (2), (3), (7), or (8) of Regulation D promulgated under the 1933 Act (“Institutional Accredited Investors”), (C) a transferee composed solely of Qualified Institutional Buyers or Institutional Accredited Investors, or (D) a deposit or sale of the Subordinate Bonds in or to a trust or custodial entity or arrangement, or any repurchase transaction or other secured lending transaction in which title, rights, or interest in the Subordinate Bonds are granted to a buyer or transferee, with respect to which, in each sale, each of the beneficial owners of which are Qualified Institutional Buyers

or “accredited investors” as defined in Section 501(a) of Regulation D promulgated under the 1933 Act ((A) through (D), an “Approved Transferee”). See “NOTICE TO INVESTORS OF THE SUBORDINATE BONDS” in this Limited Offering Memorandum.

SECURITY FOR THE SUBORDINATE BONDS

Special, Limited Obligations

THE SUBORDINATE BONDS, AND THE INTEREST THEREON, WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER AND WILL BE PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE SUBORDINATE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE CITY, OR THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY TEXAS CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE CITY, OR THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF. THE SUBORDINATE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF, OR INTEREST ON THE SUBORDINATE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, MEMBER, PROGRAM MANAGER, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EXECUTIVE DIRECTORS, MEMBERS, PROGRAM MANAGERS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS OR AGENTS, IF ANY, AS SUCH IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE SUBORDINATE BONDS.

Pledge of Available Revenue

Under the Subordinate Loan Agreement, the Subordinate Bonds are payable from the Trust Estate which is derived primarily from Available Revenue. Available Revenue is comprised primarily of 75% of surplus cash flow remaining after payment of operating expenses of the Housing Project and debt service on the Senior Bonds, as provided in the Subordinate Indenture and Partnership Agreement.

Assignment of Subordinate Loan Agreement

Under the terms of the Subordinate Indenture, the Issuer has pledged its interest in the Subordinate Loan Agreement (including Basic Payments by the Borrower, but excluding certain unassigned rights of the Issuer including without limitation the Issuer’s rights to indemnification and payment of its fees and expenses) to the Subordinate Trustee to secure the Subordinate Bonds. Under the Subordinate Loan Agreement, the Borrower is required to make payments sufficient to pay when due all principal of and interest on the Subordinate Bonds. The Subordinate Trustee is authorized to exercise the rights of the Issuer

and enforce the obligations of the Borrower under the Subordinate Loan Agreement including drawing upon the Guaranty. Basic Payments shall be made solely from Available Revenue.

Funds and Accounts

Under the Subordinate Indenture, the following trust funds and accounts are established: (i) a Project Fund; (ii) a Bond Fund, including a Current Interest Rate Account and Accrual Interest Rate Account; (iii) a Rebate Fund; and (iv) a Costs of Issuance Fund. On the Bond Closing, there will be deposited to the Current Interest Rate Account the amount required to fund the Current Interest Rate Amount of the interest due on the Subordinate Bonds through [_____ 20__].

Bond Fund

Pursuant to the Subordinate Indenture a Bond Fund was created and within the Bond Fund, a Current Interest Rate Account and an Accrual Interest Rate Account were established.

Amounts shall be credited to the accounts of the Bond Fund, as and when received, each payment received by the Subordinate Trustee under and pursuant to any of the provisions of this Subordinate Indenture or the Subordinate Loan Agreement which is required to be paid into such account of the Bond Fund, or which is accompanied by written directions of either the Borrower or the Guarantor, as applicable, that such payment is to be credited to such account of the Bond Fund, together with all income derived from the investment of such amounts.

As set forth in the Closing Memorandum, the Subordinate Trustee will deposit to the Current Interest Rate Account the amount necessary to pay the Current Interest Rate Amount through [_____ 20__]. Any interest earned on sums held in the Current Interest Rate Account will remain a part of the Current Interest Rate Account of the Bond Fund and applied to the payment of interest on the Subordinate Bonds.

Commencing in [_____ 20__] and monthly thereafter, there shall be credited to the Bond Fund amounts paid by the Borrower as authorized under the Partnership Agreement, the Senior Funding Loan Agreement and Senior Borrower Loan Agreement, as required to pay the principal of and interest due on the Subordinate Bonds as described below.

(a) First, two (2) Business Days prior to each Interest Payment Date, the Borrower shall pay to the Subordinate Trustee for deposit into the Current Interest Rate Account such amount as necessary to pay the Current Interest Rate Amount (including any and all of the previously accrued but unpaid Current Interest Rate Amount) due on the next Interest Payment Date. In the event that there are not sufficient funds on hand in the Current Interest Rate Account one (1) Business Day prior to an Interest Payment Date, then the Subordinate Trustee shall send a written notice to the Guarantor at the notice address under the Guaranty and request that the Guarantor make a payment under the Guaranty in the amount of such deficiency.

(b) Second, from and after the date that the Deferred Developer Fee has been paid in full (as certified in writing by the Borrower to the Subordinate Trustee and the Issuer as evidenced by a certificate), after the payments required under (a) above with respect to the Current Interest Rate, then the Borrower shall deposit to the Accrual Interest Rate Account any and all of the accrued and unpaid Accrual Interest Rate Amount on the next Accrual Interest Rate Payment Date and each Accrual Interest Rate Payment Date thereafter until all of the Accrual Interest Rate Amount is then current. At such time as all of the accrued and previously unpaid Accrual Interest Rate Amount is paid such that the Borrower is current on the Accrual Interest Rate Amount, then all amounts deposited in the Accrual Interest Rate Account shall be used to pay the Accrual Interest Rate

Amount and then used for the payment of principal of the Subordinate Bonds as shown below in (c). In the event that there are not sufficient funds on hand in the Accrual Interest Rate Account one (1) Business Day prior to a Maturity Date, then the Subordinate Trustee shall send a written notice to the Guarantor at the notice address under the Guaranty and request that the Guarantor make a payment under the Guaranty in the amount of such deficiency.

(c) Third, from and after [April] 1, 2054, or upon earlier acceleration, the Borrower shall deposit with the Subordinate Trustee two (2) Business Days prior to each Principal Payment Date, the amount necessary to fund the deposit required under the Subordinate Indenture for the redemption of a portion of the principal of the Subordinate Bonds on the next Principal Payment Date or if the Subordinate Bonds have been accelerated, then the amount necessary to pay the accelerated principal amount of the Subordinate Bonds. In the event that there are not sufficient funds on hand in the Bond Fund two (2) Business Days prior to a Principal Payment Date to satisfy the deposit required under the terms of the Subordinate Indenture for the redemption of a portion of the Subordinate Bonds on the next Principal Payment Date or the payment of the accelerated principal of the Subordinate Bonds, then the Subordinate Trustee shall send a written notice to the Guarantor at the notice address under the Guaranty and request that the Guarantor make a payment under the Guaranty in the amount of such deficiency.

To the extent Available Revenue and other Trust Money is not sufficient to pay the Interest Rate Amount due on an Interest Payment Date, such amount shall not compound. Except for the payment due on Maturity, the obligation to make payments of the Interest Rate Amount is subject to the requirements of the Subordinate Indenture and it shall not be an event of default under the Subordinate Bonds to the extent that failure to make a payment is due to lack of Surplus Cash to make such payments. Subject to the preceding sentence, in the event any payment is not made as required by the Subordinate Indenture, the payment not made shall continue as an obligation until the amount not paid shall have been fully paid. To the extent permitted by law, interest on any overdue payment required by the Subordinate Indenture shall be paid at the Default Rate.

The Subordinate Trustee shall use amounts on deposit in the Bond Fund to pay the principal of and interest on the Subordinate Bonds as they become due and payable.

If any Subordinate Bond shall not be presented for payment at Maturity, provided money sufficient to pay such Subordinate Bond shall have been made available to the Subordinate Trustee and are held by the Subordinate Trustee for the benefit of the Holder thereof, all liability of the Issuer to the Holder thereof for the payment of such Subordinate Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Subordinate Trustee to hold such money, without liability for interest thereon, for the benefit of the Holder of such Subordinate Bond, who shall thereafter be restricted exclusively to such money for any claim of whatever nature on his or her part under the Subordinate Indenture or on, or with respect to, such Subordinate Bond. In the event that there is not sufficient funds to pay the principal of and accrued interest on the Subordinate Bonds at Maturity, then the Subordinate Trustee shall provide written notice to the Guarantor at the notice address in the Guaranty and make a demand that the Guarantor immediately make such required payment, including any Defaulted Interest and accrued and unpaid Accrual Interest Rate Amount that is accrued and unpaid at Maturity.

Any money remaining in the Bond Fund after payment in full of all Subordinate Bonds, and payment of the fees, charges and expenses of the Subordinate Trustee, the Paying Agent, and any Co-Paying Agent and any Issuer Fees and Expenses which have accrued and which will accrue and all other items required to be paid under the Subordinate Indenture shall be paid to the Borrower.

Money in the Bond Fund shall be invested as provided in the Subordinate Indenture.

Any surplus money in the Project Fund transferred to the Bond Fund pursuant to the Subordinate Indenture shall be used by the Subordinate Trustee (a) to redeem the largest number of Subordinate Bonds callable, without premium or penalty, under the terms of the Subordinate Indenture at the first opportunity or (b) to pay principal due on the Subordinate Bonds.

Capitalized Interest Fund

The Subordinate Indenture creates a Bond Fund. As set forth in the Closing Memorandum, the Subordinate Trustee will deposit to the Capitalized Interest Fund the amount necessary to pay capitalized interest for a period of time. Any interest earned on sums held in the Capitalized Interest Fund prior to [____ 1, 20__] shall remain a part of the Capitalized Interest Fund. Any funds remaining in the Capitalized Interest Fund following [____ 1, 20__] will be transferred to the Bond Fund.

The Guaranty

Under the terms of the Guaranty, the Guarantor has guaranteed the payment of Basic Payments (which include debt service on the Subordinate Bonds) and Additional Charges. In the event that the revenues of the Borrower and the pledge of Available Revenue is not sufficient for the payment of debt service on the Subordinate Bonds, then the Subordinate Trustee will look to the Guarantor under the Guaranty for repayment of the Subordinate Bonds; provided, however, the Subordinate Trustee shall not ask the Guarantor for any payments under the Guaranty for the Accrual Interest Rate Amount unless the Subordinate Bonds have been accelerated or at Maturity.

The Subordinate Mortgage

The Subordinate Bonds will be secured by a Subordinate Leasehold Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (with Power of Sale), dated October [___], 2024 (the “Subordinate Mortgage”), made by the Borrower in favor of the Issuer, as assigned to the Subordinate Trustee, pursuant to an Assignment of Leasehold Deed of Trust, dated October [___], 2024, from the Issuer in favor of the Subordinate Trustee, and acknowledged by the Borrower, as the same may be amended, modified or supplemented from time to time (the “Assignment of Subordinate Mortgage”). The subordinate leasehold mortgage lien on the Housing Project consists generally of the Borrower’s leasehold interest in the land (initially subject to the terms of a Ground Lease) upon which the Housing Project is located. The leasehold mortgage lien granted to the Subordinate Trustee under the Subordinate Mortgage consists generally of the Borrower’s leasehold interest in the Housing Project, which is subject to, and junior and subordinate to the leasehold mortgage lien of the Senior Fiscal Agent, for the benefit of the Senior Funding Lender under the terms of the Senior Mortgage and leasehold mortgage lien of the Taxable Bridge Lender under the terms of the Taxable Bridge Mortgage. See “APPENDIX C-2 – SUBSTANTIALLY FINAL FORMS OF THE GUARANTY AND SUBORDINATE MORTGAGE – THE SUBORDINATE MORTGAGE” and “BONDHOLDERS’ RISKS – Risks Related to Subordination” in this Limited Offering Memorandum.

No Reserve Fund

The Subordinate Bonds will not be secured by a debt service reserve fund. The lack of a debt service reserve fund will affect the ability of the registered owners of the Subordinate Bonds to receive payments of debt service on the Subordinate Bonds should the Borrower not make the required payments under the terms of the Subordinate Loan Agreement.

Defeasance

Upon certain terms and conditions specified in the Subordinate Indenture, the Subordinate Bonds or portions thereof will be deemed to be paid and the security provided in the Subordinate Indenture may be discharged prior to maturity or redemption of the Subordinate Bonds upon the provision for the payment of such Subordinate Bonds. In that case, the Subordinate Bonds will be secured solely by the cash and securities deposited with the Subordinate Trustee for such purpose. See the summary of the Subordinate Indenture in “APPENDIX C-1 – SUBSTANTIALLY FINAL FORMS OF THE SUBORDINATE INDENTURE, SUBORDINATE LOAN AGREEMENT AND REGULATORY AGREEMENT – THE SUBORDINATE INDENTURE” in this Limited Offering Memorandum.

BONDHOLDERS’ RISKS

General Risk Factors

As noted above, the Subordinate Bonds are payable from certain payments to be made by the Borrower under the Subordinate Loan Agreement. Under certain limited circumstances the Subordinate Bonds also may be payable from the proceeds thereof or investment income thereon or, under certain circumstances, proceeds of insurance, sale or condemnation awards.

Certain risks are inherent in the operation of multifamily housing facilities such as the Housing Project. Such risks should be considered in evaluating the Borrower’s ability to generate sufficient revenues to pay principal of and interest on the Subordinate Bonds when due. **This section discusses some of these risks but is not intended to be a comprehensive listing of all risks associated with the operation of the Housing Project or the payment of the Subordinate Bonds.**

Special, Limited Obligations of Issuer

The Subordinate Bonds, the premium, if any, and the interest thereon will be special, limited obligations of the Issuer and will be payable exclusively from the Trust Estate. The Subordinate Bonds will not constitute a debt or a loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the City, or the State, or of any political subdivision thereof, within the meaning of any Texas constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer, the City, the State, or of any political subdivision thereof. The Subordinate Bonds will not constitute, directly or indirectly, or contingently obligate or otherwise constitute a general obligation of or a charge against the general credit of the Issuer, but will be special limited obligations of the Issuer payable solely from the sources described herein, but not otherwise. The Issuer has no taxing power. The Subordinate Bonds are not secured by any credit enhancement and there is no obligation on the part of any person to obtain or provide any credit enhancement.

No recourse shall be had for the payment of the principal of or premium, if any, or interest on the Subordinate Bonds against any past, present, or future officer, director, executive director, member, program manager, employee, counsel, advisor, contractor, consultant or agent of the Issuer, or of any successor to the Issuer, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, executive directors, members, program managers, employees, counsel, advisors, contractors, consultants or agents, if any, as such is expressly waived and released as a condition of and consideration for the execution and issuance of the Subordinate Bonds.

Cashflow Projection

The financial performance of the Housing Project contained in Appendix A under the heading “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Forecasted Net Project Revenues and Debt Service Coverage” (the “Forecast”) was prepared by the Borrower and is based upon certain assumptions made by the Borrower. No assurance can be given that the results shown in the Forecast will be achieved. The Borrower does not intend to issue an updated Forecast and, accordingly, there are risks inherent in using the Forecast in the future as the Forecast becomes outdated. See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Forecasted Net Project Revenues and Debt Service Coverage” in this Limited Offering Memorandum.

No guaranty can be made that the Forecast will correspond with the results actually achieved in the future by the Borrower because there is no assurance that actual events will correspond with the assumptions made by the Borrower. For example, the Forecast makes certain assumptions as to occupancy levels. Actual operating results of the Borrower may be affected by many factors, including, but not limited to, increased costs, lower than anticipated occupancy of the Housing Project, changes in demographic trends, and local and general economic conditions.

Risks Related to Subordination

The payment of the Surplus Cash portion of Available Revenue is subordinate to the rights of the Senior Funding Lender, to the cash flow from the Housing Project to pay debt service on the Senior Bonds and the other payments required under the financing documents relating to the Senior Bonds. In addition, the rights of the Subordinate Trustee under the Subordinate Loan Agreement (including the pledge of Surplus Cash as Available Revenue), the Subordinate Mortgage, and the Guaranty are junior and subordinate to (i) the rights of the Senior Fiscal Agent on behalf of the Senior Funding Lender with respect to the Senior Bonds, and (ii) the rights of the Taxable Bridge Lender with respect to the Taxable Bridge Loan. The Senior Funding Lender and the Taxable Bridge Lender will share a first pari passu position on all collateral. There can be no assurance that there will be sufficient funds available from Surplus Cash for the purpose of paying amounts due with respect to the Subordinate Bonds.

No Recourse to Borrower or its Partners

The obligations and liabilities of the Borrower under the Subordinate Loan Agreement are of a nonrecourse nature and are limited to the Housing Project and moneys derived from the operation of the Housing Project. Neither the Borrower, the General Partner, the Governing Member nor the Class B Limited Partner nor any other partner of Borrower have any personal liability for payments on the Subordinate Loan Agreement. Furthermore, the Borrower is a newly formed entity, and therefore no representation can be made that the Borrower has substantial funds available for the Housing Project. Accordingly, the financial statements of the Borrower are not included in this Limited Offering Memorandum.

Reliance on Guaranty

The guaranty by the Guarantor of Basic Payments under the Loan Agreement which are functionally the payment of principal of and interest on the Subordinate Bonds and performance by the Borrower of its obligations will not terminate while the Subordinate Bonds are Outstanding under the Subordinate Indenture. No assurance can be given that the Guarantor will have sufficient funds available to meet their obligations pursuant to the Guaranty, if called upon to perform.

Construction Risks

There can be no assurance that the construction of the Housing Project will be timely completed, or that it can be completed for the cost estimated by the Borrower as described in this Limited Offering Memorandum. The construction of any project such as the Housing Project is subject to the risks of cost overruns, non-completion and delays due to a variety of factors, including, among other things, site difficulties, necessary design changes or final detailing, labor strife, delays in and shortages of materials, weather conditions, fire and casualty. The Borrower is a newly formed limited partnership, and there cannot be any assurance that the Borrower will have funds necessary to pay any increased costs of the Housing Project, whether due to actual costs in excess of estimates, or material cost overruns. Such increased costs or delays in the completion of the construction of the Housing Project could adversely affect the amount and timing of the receipt of revenues of the Housing Project.

Certain information regarding the Contractor and the Construction Contract are set forth in “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Improvements to the Housing Project” in this Limited Offering Memorandum. The Construction Contract does not require the Contractor to purchase or procure any payment and performance bond in connection with the construction of the Housing Project. A failure of the Contractor to perform under the Construction Contract could adversely impact repayment of the Subordinate Bonds.

Environmental Risks

The Housing Project, like other types of commercial real estate, may be subject to such environmental risks which can result in substantial costs to the Borrower from any mandatory cleanup, damages, fines or penalties that might be ordered with respect thereto. Any environmental problems discovered with respect to the Housing Project could have an adverse effect on the collateral value thereof.

A Phase I Environmental Site Assessment (the “Phase I Report”), was completed by Braun Intertec Corporation (“Braun”), dated November 15, 2023, for the site of the Housing Project. The Phase I Report did not identify any recognized environmental conditions (“RECs”), controlled recognized environmental conditions (“CRECs”) or historical recognized environmental conditions (“HRECs”).

See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Environmental Site Assessment” in this Limited Offering Memorandum.

Infectious Disease Outbreak

An outbreak of a highly contagious, epidemic or pandemic infectious disease such as COVID-19, Zika or Ebola nationally or locally in the Housing 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 Housing 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 Subordinate Bonds, including the taxability of interest paid on, and/or the extraordinary mandatory redemption of, the Subordinate Bonds. Previously, in response to the COVID-19 pandemic, federal legislation was passed that included a temporary moratorium on eviction of tenants due to non-payment of rent when a property receives or participates in certain federal low income housing programs and if an outbreak of a new pandemic occurs similar legislation could be enacted in the future.

Plan and Cost Review

The Borrower engaged Hillman Consulting (“Hillman”) to prepare a Document and Cost Review, dated October 4, 2024 (the “Plan and Cost Review”) to assess, among other things, that the budget accurately reflects the scope of work indicated in the construction documents. Hillman indicated in the Plan and Cost Review that the total proposed budget appears to be within a reasonable range of anticipated costs in the subject locale for a project of its scope. A copy of the Plan and Cost Review is available from the Placement Agent upon request.

Subordination and Possible Limitations on the Subordinate Mortgage

The lien on the Housing Project granted to the Subordinate Trustee under the Subordinate Mortgage is junior and subordinate to the lien granted to the Senior Fiscal Agent, for the benefit of the Senior Funding Lender pursuant to the Senior Mortgage and the lien granted to the Taxable Bridge Lender pursuant to the Taxable Bridge Mortgage. The lien on the Borrower’s leasehold interest in the Housing Project and security interest in the equipment, fixtures and personal property, may be limited by the following: (i) statutory liens; (ii) rights arising in favor of the United States of America or any agency thereof; (iii) present or future prohibitions against assignment contained in any federal statutes or regulations; (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (v) federal bankruptcy or state insolvency laws affecting assignments of revenues earned after any effective institution of bankruptcy or insolvency proceedings by or against the Borrower; (vi) rights of third parties in any revenues, including revenues converted to cash, not in possession of the Subordinate Trustee; and (vii) the requirement that appropriate continuation statements be filed in accordance with the Texas Uniform Commercial Code.

Competition and Reliance on Market Study

The ultimate success of the Housing Project and the ability of the Borrower to meet all of its obligations with respect to the Housing Project, including the timely payment of principal of and interest on the Subordinate Bonds, depends on the existence of adequate demand for units in the Housing Project. The Borrower commissioned a Market Feasibility Study, dated April 14, 2024, with an effective date of April 24, 2024 (the “Market Study”), prepared by Apartment MarketData, LLC (the “Market Consultant”) with respect to the Housing Project and its market area. The conclusions of the Market Study are solely the opinions of the Market Consultant and there are no guarantees that actual demand exists or will continue to exist which support the assumptions in the Market Study. The Borrower is not aware of any material changes to the information included in the Market Study. See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Market Area and Competition” and “APPENDIX B – MARKET STUDY” in this Limited Offering Memorandum. The Borrower faces competition from other existing multifamily rental housing facilities of a similar nature to the Housing Project and may face additional competition in the future if new multifamily rental housing facilities are constructed in the market area of the Housing Project that are of a similar nature to the Housing Project. The Market Study has identified five other existing affordable multifamily housing developments in the primary market area. Actual occupancy of the Housing Project in the future may vary from conclusions in the Market Study, which variance may be material and adverse. If, among other things, actual occupancy of the Housing Project is materially lower or rental rates for the Housing Project are materially less than assumed by the Borrower, actual revenues for the Housing Project will be less than projected, and perhaps materially less. Any shortfall in such revenues could adversely affect the ability of the Borrower to provide for payment in full of the Subordinate Bonds.

The Market Study contains certain assumptions and conditions as stated therein. Information regarding the competitive developments and the Market Study is located in “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE

HOUSING PROGRAM – Market Area and Competition” and “APPENDIX B – MARKET STUDY” in this Limited Offering Memorandum.

Nonperformance under Guaranty; Subordination to Senior Bonds and Construction Loan Financing Documents

Should the enforcement of the Guaranty become necessary to pay the principal or interest on the Subordinate Bonds, there is no assurance that the Guarantor will have or be able to raise sufficient funds to make such payments or otherwise perform its obligations under the Guaranty. Moreover, even if the Guarantor is solvent and has sufficient funds to pay debt service on the Subordinate Bonds, the Guarantor may reject or dishonor a properly made demand under the Guaranty. The Guaranty is an unsecured obligation of the Guarantor. The terms of the Guaranty do not restrict the ability of the Guarantor to enter into other guarantees and the Guaranty does not have any financial covenants for the Guarantor to comply with during the terms of the Subordinate Bonds. [The Guarantor has also guaranteed certain obligations with respect to the Senior Bonds and the Construction Loan, including the repayment thereof, which guaranties are senior to the Guarantor’s obligations under the Guaranty for the Subordinate Bonds.]

Income and Rent Restrictions

For information with respect to Income and Rent Restrictions, see “RENTAL HOUSING REQUIREMENTS” in this Limited Offering Memorandum.

Tax Exemption of Interest on the Subordinate Bonds

As described under “TAX MATTERS” in this Limited Offering Memorandum, the failure to comply with certain legal requirements may cause interest on the Subordinate Bonds to become includable in gross income for purposes of federal income taxation, retroactive to the date of issuance of the Subordinate Bonds. As a general matter, a Determination of Taxability will occur if interest on the Subordinate Bonds becomes includable in gross income for purposes of federal income taxation. Upon the occurrence of a Determination of Taxability, the Subordinate Bonds are subject to mandatory redemption, in whole, on the first Business Day for which proper notice of redemption can be given. The Redemption Price for the Subordinate Bonds upon a Determination of Taxability does not include a premium. See “THE SUBORDINATE BONDS – Redemption and Prepayment” in this Limited Offering Memorandum. There can be no assurance that the Borrower will be able to pay the Redemption Price for the Subordinate Bonds upon a Determination of Taxability.

In addition, future legislative or other developments could occur which could adversely affect the exclusion of interest on the Subordinate Bonds from gross income for federal income tax purposes, which could have a prospective or retroactive effect and which could adversely affect the value or marketability of tax-exempt bonds (including the Subordinate Bonds). See “TAX MATTERS” in this Limited Offering Memorandum. Any such development may or may not trigger a redemption of the Subordinate Bonds under the definition of “Determination of Taxability” in APPENDIX C-1 to this Limited Offering Memorandum. Prospective purchasers of the Subordinate Bonds should consult their own tax advisors regarding the impact of any such change in law or other developments.

Preferential Property Tax Treatment

The Housing Project is owned by the Issuer and ground leased to the Borrower. Pursuant to Chapter 394 of the Local Government Code of the State of Texas, the Issuer, as leasehold estate owner, receives a 100% tax exemption. The Borrower’s project pro-forma for the Housing Project assumes that it will be exempt from property taxes. The Texas law authorizing such preferential tax treatment could be amended or withdrawn by the Texas State Legislature in the future. A change in the use of the Housing Project, a

change in ownership structure of the Borrower, or a change in Texas law could materially increase the amount of real estate taxes payable by the Borrower in connection with its ownership of the Housing Project.

Adequacy of Insurance; Damage, Destruction or Condemnation

Although the Borrower will be required to obtain certain insurance as set forth in the Subordinate Loan Agreement, there can be no assurance that the Housing Project will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the Housing Project cannot generate revenues, will not exceed the coverage of such insurance policies.

In the event the Housing Project is subject to the exercise of eminent domain by any governmental authority, no assurance can be given that any award for such taking will be adequate to allow the replacing of the Housing Project with a facility that will produce revenues sufficient to fund payments due on Housing Project debt, or to allow funding redemption in whole of all Housing Project debt.

Effect of Federal Bankruptcy Laws on Security for the Subordinate Bonds

Bankruptcy proceedings and equity principles may delay or otherwise adversely affect the enforcement of Bondholders' rights in the property granted as security for the Subordinate Bonds. Furthermore, if the security for the Subordinate Bonds is inadequate for payment in full of the Subordinate Bonds, bankruptcy proceedings and equity principles may also limit any attempt by the Subordinate Trustee to seek payment from other property of the Borrower. See "ENFORCEABILITY OF OBLIGATIONS" herein. Also, federal bankruptcy law permits adoption of a reorganization plan even though it has not been accepted by the Bondholders of a majority in aggregate principal amount of the Subordinate Bonds if the Bondholders are provided with the benefit of their original lien or the "indubitable equivalent." In addition, if the bankruptcy court concludes that the Bondholders have "adequate protection," it may: (i) substitute other security subject to the lien of the Bondholders; and (ii) subordinate the lien of the Bondholders (a) to claims by persons supplying goods and services to the Borrower after bankruptcy, and (b) to the administrative expenses of the bankruptcy proceeding. The bankruptcy court may also have the power to invalidate certain provisions of the Subordinate Loan Agreement that make bankruptcy and related proceedings by the Borrower an event of default thereunder.

Absence of Rating

The Subordinate Bonds have not been rated by any national rating agency. The Subordinate Bonds are believed to bear higher rates of interest than would prevail if the Subordinate Bonds were rated investment grade in order to compensate investors for a level of risk that is higher than the risk generally associated with investment grade bonds. In addition, unrated bonds typically are less liquid in the secondary market than rated bonds. See "BOND RATING NOT APPLIED FOR" in this Limited Offering Memorandum.

No Credit Enhancement Facility

There is no credit enhancement facility securing the Subordinate Bonds, nor is there any provision for a credit enhancement facility to be provided to secure any of the Subordinate Bonds.

As-Built Appraisal of Housing Project

In connection with the issuance of the Senior Bonds, the Initial Funding Lender has engaged JLL Valuation & Advisory Services, LLC (the "Appraiser") to perform an as-built appraisal of the Housing

Project, dated [September 24], 2024 with an effective date of [August 30,] 2024 (the “Appraisal”). The Appraiser’s opinion of value for the property is set forth below. **[to be completed with final appraisal]**

Land Value Conclusions

Appraisal Premise	Interest Appraised	Date of Value	Valuation Conclusion
Market Value – As Is Stabilized Net Operating Income			

By combining the land value conclusion with the depreciated replacement costs of the improvements, a value by the cost approach as completed and stabilized is indicated, as follows:

At Completion and Stabilization

Appraisal Premise	Interest Appraised	Date of Value	Valuation Conclusion
Depreciation Replacement Cost Land Value Indicative Property Value			

The valuation contained in the Appraisal report does not contain any personal property, fixtures, furniture or equipment or intangibles.

The valuations indicated in the Appraisal represent only the opinion of the Appraiser only as of the date of its Appraisal. The Appraiser has not been engaged to update or revise its appraisal since the date of its appraisal report. Prospective purchasers of the Subordinate Bonds should note that there may be a difference between the actual value of the multifamily property and the amount of the Subordinate Bonds, and that difference may be material and adverse to Bondholders. In particular, it cannot presently be determined with certainty what the value of the multifamily property would be in the event of foreclosure under the Subordinate Mortgage. See “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Appraisal” in this Limited Offering Memorandum for more information.

Value of Mortgaged Property

Security for the Subordinate Bonds includes a mortgage lien on the Housing Project evidenced by the Subordinate Mortgage by the Borrower in favor of the Subordinate Trustee. Attempts to foreclose under the Subordinate Mortgage may be met with protracted litigation and/or bankruptcy proceedings, which proceedings cause delays. Thus, there can be no assurance that upon the occurrence of an Event of Default, the Subordinate Trustee will be able to obtain possession of the Housing Project and generate revenue therefrom in a timely fashion. Because of the special nature, location, and other factors relating to the Housing Project, there can be no assurance that proceeds derived from the sale of the Housing Project upon default and foreclosure of the Subordinate Mortgage would be sufficient to pay all amounts due in respect of the Subordinate Bonds. Furthermore, (i) the Subordinate Mortgage contains several Permitted Encumbrances as described in the Subordinate Mortgage, and (ii) the mortgage lien granted to the Subordinate Trustee under the Subordinate Mortgage is junior and subordinate to the mortgage lien granted pursuant to the Senior Mortgage. See “SECURITY FOR THE SUBORDINATE BONDS” in this Limited Offering Memorandum.

Debt Service Schedule on the Subordinate Bonds Increases

Debt service on the Subordinate Bonds is not level and principal of the Subordinate Bonds does not start amortizing until 2056. The payment of the Accrual Interest Rate Amount is subject to various factors relating beyond the control of the Borrower. See the schedule of debt service on the Subordinate Bonds under the heading “DEBT SERVICE SCHEDULE” to this Limited Offering Memorandum. The debt service schedule for the Subordinate Bonds contains certain assumptions with respect to the future payment of the Accrual Interest Rate Amount based upon certain assumptions made by the Borrower with respect to the future operation of the Housing Project.

Secondary Market

The Placement Agent is not obligated to repurchase any Subordinate Bonds at the request of the holders thereof and cannot assure that there will be a continuing secondary market for the Subordinate Bonds. In addition, adverse developments, including insufficient cash flow from the Housing Project, may have an unfavorable effect upon prices for the Subordinate Bonds in the secondary market.

Forward-Looking Statements

The statements contained in this Limited Offering Memorandum that are not purely historical, are forward-looking statements, including statements regarding the expectations, intentions, or strategies of the Borrower regarding the future. Also, forward-looking statements include statements in which words such as “believe,” “expect,” “anticipate,” “intend,” “will,” or similar expressions are used. Potential investors should not place undue reliance on forward-looking statements. All forward-looking statements are made as of the date of this Limited Offering Memorandum, but are necessarily based on assumptions of future events, which have been provided by the Borrower. The Borrower, the Issuer and the Placement Agent have not assumed any obligation to update any such forward-looking statements. While the Borrower has no reason to believe that the assumptions that have been used in these forward-looking statements are not reasonable, these assumptions involve judgments with respect to, among other things, future economic, competitive, and market conditions, future business decisions, and future legal and regulatory circumstances and conditions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Borrower. As a result, actual results will undoubtedly differ, and may differ materially, from those discussed in such forward-looking statements.

Summary

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

RENTAL HOUSING REQUIREMENTS

[To be updated]

Federal. The Borrower and the Issuer will enter into the Regulatory Agreement, which requires that at least forty percent (40%) of the completed units in the Housing Project be held available for persons with incomes that do not exceed sixty percent (60%) of the area median gross income. Section 142(d) of the Code requires that at least forty percent (40%) of the units in the Housing Project be held available for persons with incomes that do not exceed sixty percent (60%) of the area median gross income. In addition, the Borrower further covenants under the Regulatory Agreement to utilize its best efforts and all due

diligence to ensure that (A) substantially all (at least ninety percent (90%)) of the residential units in the Housing Project are rented to persons whose Adjusted Gross Income (as defined in APPENDIX C-1), 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, exceed one hundred and forty percent (140%) of the area median income as determined and adjusted from time to time by the Secretary of HUD (an “Eligible Tenant”) and will not rent or lease any residential unit in the Housing Project to an Eligible Tenant if such rental would cause less than ninety percent (90%) of the residential units in the Housing Project to be rented to Eligible Tenants; and (B) (i) eighty percent (80%) of the units in the Housing 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 sixty percent (60%) of the area median income as determined and adjusted from time to time by the Secretary of HUD and (ii) the maximum rent charged by the Borrower for eighty percent (80%) of the units in the Development will not exceed thirty percent (30%) of the income for a family, whose Adjusted Gross Income equals sixty percent (60%) of the area median family income as determined from time to time by the Secretary of HUD and will not rent or lease any residential unit in the Housing Project to a person not a tenant if such rental would cause the limits set forth above to not be met.

Any failure of the Borrower to comply with the income restrictions of the Regulatory Agreement may cause interest on the Subordinate Bonds to be included in the gross income of the owners thereof for federal income tax purposes, retroactively to the date of issuance of the Subordinate Bonds. Neither the Borrower nor the Issuer has engaged a compliance monitor to administer the Regulatory Agreement or to monitor performance by the Borrower of the certain terms, provisions or requirements thereof.

LIHTC Requirements. The Borrower will claim certain low-income housing credits available under Section 42 of the Code, which are documented in an existing [Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits, dated _____, 20__ (the “LIHTC Declaration”)] for the benefit of The Texas Department of Housing and Community Affairs. The LIHTC Declaration requires that one hundred percent (100%) of the units in the Housing Project must be held available for persons whose incomes (adjusted for family size) do not exceed sixty percent (60%) of the median annual income of the area in which the Housing Project is located (adjusted for family size). **[TO BE CONFIRMED]** [In addition to tenant income limitations, the LIHTC Declaration will contain rent limitations pursuant to which gross rent for a unit (which may include a utility allowance) occupied by a low income tenant may not exceed thirty percent (30%) of the applicable income limitation (adjusted for family size). The LIHTC Declaration will require compliance by the Housing Project with the low-income housing tax credit income targeting and rent restrictions, subject to certain contingencies, for a period of fifteen years, as extended in accordance with an extended use period for an additional fifteen years, which is subject to release in accordance with the provisions of a qualified contract under Internal Revenue Code 42(h)(6)(F).]

The Borrower’s assumptions upon which its forecasted financial statements are based include rental rates which are in compliance with the various income and rent restrictions projected to be applicable in [2027]. For years after [2027], the forecasted financial statements are based on the Borrower’s assumption that average median area income will increase each year and therefore such rent and income restrictions will increase in each year. If median income decreases in any year, it is possible that permitted maximum rents and income limits may also decrease. See “APPENDIX C-1 – SUBSTANTIALLY FINAL FORMS OF THE SUBORDINATE INDENTURE, SUBORDINATE LOAN AGREEMENT AND REGULATORY AGREEMENT – THE REGULATORY AGREEMENT,” “THE HOUSING PROJECT AND PLAN OF FINANCE,” “TAX MATTERS,” and “APPENDIX A – THE BORROWER, THE HOUSING PROJECT, THE GUARANTOR, AND THE MANAGER – THE HOUSING PROJECT – Tenant Income and Rent Limitations” in this Limited Offering Memorandum.

ENFORCEABILITY OF OBLIGATIONS

On the date of issuance of the Subordinate Bonds, Bickerstaff Heath Delgado Acosta LLP in Austin, Texas, as Bond Counsel to the Issuer, will deliver an opinion, dated the delivery date, that the Subordinate Bonds are valid and binding special limited obligations of the Issuer enforceable in accordance with their terms and the Placement Agent Agreement, the Subordinate Indenture, the Subordinate Loan Agreement, the Regulatory Agreement, the Assignment of Subordinate Mortgage, and the Tax Certificate, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their respective terms. Winthrop & Weinstine, P.A., of Minneapolis, Minnesota, as counsel to the Borrower and the Guarantor, will deliver its opinion that the Subordinate Loan Agreement, the Regulatory Agreement, the Subordinate Mortgage, the Tax Certificate, and the Placement Agent Agreement are valid and legally binding agreements of the Borrower, and the Guaranty is a valid and legally binding agreement of the Guarantor, each enforceable in accordance with their respective terms. The foregoing opinions will be generally qualified to the extent that the enforceability of the respective instruments may be limited by laws, decisions, and equitable principles affecting remedies and by bankruptcy or insolvency or other laws, decisions, and equitable principles affecting creditors' rights generally.

While the Subordinate Bonds are secured or payable pursuant to the Subordinate Indenture, the Subordinate Loan Agreement, the Subordinate Mortgage, and the Guaranty, the practical realization of payment from any security will depend upon the exercise of various remedies specified in the respective instruments. These and other remedies are dependent in many respects upon judicial action, which is subject to discretion and delay. Accordingly, the remedies specified in the above documents may not be readily available or may be limited. See "BONDHOLDERS' RISKS" in this Limited Offering Memorandum.

APPROVAL OF LEGAL MATTERS

The validity of the Subordinate Bonds are subject to receipt of an opinion by Bickerstaff Heath Delgado Acosta LLP, as Bond Counsel, and the tax exemption of interest on the Subordinate Bonds are subject to receipt of an opinion by Chapman & Cutler LLP in Chicago, Illinois, as Special Counsel to the Issuer, which opinions will be delivered with the Subordinate Bonds. See "APPENDIX D – FORM OF BOND COUNSEL OPINION" attached to this Limited Offering Memorandum for a form of the approving opinion of Special Counsel.

Certain legal matters will be passed on for the Borrower, General Partner, Class B Limited Partner, and the Guarantor by their counsel, Winthrop & Weinstine, P.A., of Minneapolis, Minnesota.

The Placement Agent has been represented in this transaction by Ballard Spahr LLP, Minneapolis, Minnesota.

TAX MATTERS

[To be updated by Chapman & Cutler LLP]

General Matters. In the opinion of Bickerstaff Heath Delgado Acosta LLP in Austin, Texas, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Subordinate Bonds is excludable from gross income for federal income tax purposes, except for interest on any Subordinate Bond for any period during which such Subordinate Bond is held by a "substantial user" of the facilities financed by the Subordinate Bonds or a "related person" within the meaning of Section 147(a) of the Code,

and interest on the Subordinate Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. The opinion described above assumes the accuracy of certain representations and compliance by the Issuer and the Borrower with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Subordinate Bonds. Failure to comply with such requirements could cause interest on the Subordinate Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Subordinate Bonds. The Issuer and the Borrower have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Subordinate Bonds. For tax years beginning after December 31, 2022, interest on the Subordinate Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The accrual or receipt of interest on the Subordinate Bonds may otherwise affect the federal income tax liability of the owners of the Subordinate Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Subordinate Bonds, particularly purchasers that are corporations (including S corporations, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Subordinate Bonds.

Bond Counsel is also of the opinion that, under existing State of Texas statutes, interest on the Subordinate Bonds is exempt from Texas income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Subordinate Bonds under the laws of the State of Texas or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as APPENDIX D.

Backup Withholding. As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Subordinate Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Subordinate Bonds that fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Subordinate Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Subordinate 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. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Subordinate Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Subordinate Bonds or the market value thereof would be impacted thereby. Purchasers of the Subordinate Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation.

The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Subordinate Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives, or litigation.

PROSPECTIVE PURCHASERS OF THE SUBORDINATE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SUBORDINATE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SUBORDINATE BONDS.

PLACEMENT

The Subordinate Bonds will be placed with the initial purchaser by Colliers Securities LLC, Minneapolis, Minnesota (the “Placement Agent”) pursuant to a Placement Agent Agreement (the “Placement Agent Agreement”) among the Placement Agent, the Issuer, the Borrower and the initial purchaser of the Subordinate Bonds. The Placement Agent is being paid a fee of 1.50% of the par amount of the Subordinate Bonds in connection with its services under the Placement Agent Agreement relating to the Subordinate Bonds. The Placement Agent Agreement provides that all of the Subordinate Bonds shall be placed with the initial purchaser and such action is subject to certain terms and conditions set forth in the Placement Agent Agreement, the approval of certain legal matters by counsel and certain other conditions. The Borrower has agreed under the Placement Agent Agreement to indemnify the Placement Agent, the Issuer, and the State, among other parties, against certain liabilities, including certain liabilities under federal and state securities laws. In the Placement Agent Agreement, the Borrower, the Issuer and the initial purchaser each acknowledges that the Placement Agent has not performed any due diligence with respect to the Issuer, the Borrower, or the Subordinate Bonds on which the initial purchaser may rely or has relied.

ISSUER’S FINANCIAL ADVISOR

Hilltop Securities, Inc. (“Hilltop”) has served as financial advisor to the Issuer for purposes of assisting the Issuer with the development and implementation of the bond program in connection with the Subordinate Bonds. Hilltop has not been engaged by the Issuer to compile, create or interpret any information in this Limited Offering Memorandum. Any information contained in this Limited Offering Memorandum concerning the Issuer, any of its affiliates or contractors and any outside parties has not been independently verified by Hilltop, and inclusion of such information is not, and should not, be construed as a representation by Hilltop as to its accuracy or completeness or otherwise. Hilltop is not a public accounting firm and has not been engaged by the Issuer to review or audit any information in this Limited Offering Memorandum in accordance with accounting standards. Hilltop 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 Subordinate Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial body.

VOLUNTARY CONTINUING DISCLOSURE

Although the Subordinate Bonds are exempt from the ongoing reporting requirements under Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”), the Borrower has voluntarily agreed to comply with the provisions of the Continuing Disclosure Agreement. The Guarantor is not a party to the Continuing Disclosure Agreement. See “APPENDIX G – FORM OF VOLUNTARY CONTINUING DISCLOSURE AGREEMENT” in this Limited Offering Memorandum.

The Issuer does not have any continuing disclosure obligation with respect to the Subordinate Bonds.

RELATIONSHIPS AMONG THE PARTIES

The Housing Project will be managed by Dominion Texas Management Services, LLC, which is an affiliate of the Class B Limited Partner. The construction of the Housing Project will be completed by the Contractor (as further described and defined in APPENDIX A)[, which is also an affiliate of the Class B Limited Partner]. In connection with the issuance of the Subordinate Bonds, the Issuer, the Borrower and the Placement Agent are being represented by the attorneys or law firms identified above under the heading “APPROVAL OF LEGAL MATTERS.” In other transactions not related to the Subordinate Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Issuer, the Borrower or the Placement Agent or their affiliates, in capacities different from those described, and there will be no limitations imposed as a result of the issuance of the Subordinate 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 Subordinate Bonds should not assume that the Issuer, the Borrower and the Placement Agent or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Subordinate 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.

In addition, the Subordinate Indenture permits the Subordinate Trustee and its officers and directors to acquire and own or become the pledgee of Subordinate Bonds and otherwise deal with the Issuer and the Borrower in the same manner, to the same extent and with like effect as though it were not Trustee under the Subordinate Indenture.

ABSENCE OF MATERIAL LITIGATION

The Issuer

As of the date hereof, there is no litigation pending (as to which the Issuer has received service of process) or, to the actual knowledge of the Issuer, overtly threatened in writing directly against the Issuer, affecting the existence of the Issuer or the title of any officers of the Issuer to their respective offices, or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Subordinate Bonds or any proceedings of the Issuer with respect to the issuance or sale thereof, or the pledge or application of any monies or security for the Subordinate Bonds.

The Borrower and the Guarantor

The Borrower has advised that no litigation, proceedings, or investigations are pending or, to its knowledge, threatened against the Borrower or any of its property. In particular, no litigation, investigations, or proceedings are now pending or, to the knowledge of the Borrower, threatened against the Borrower which in any way questions or affects the right of the Borrower to enter into the Subordinate Loan Agreement, the Subordinate Mortgage, the Placement Agent Agreement, or the Regulatory Agreement, or which in any way questions or affects any proceedings or transactions relating to the issuance, sale, and delivery of the Subordinate Bonds. The Guarantor has advised that no litigation, proceedings, or investigations are pending or, to their knowledge, threatened against the Guarantor or any of its property that, if adversely determined, would result in the Guarantor being unable to fulfill its obligations under the Guaranty.

BOND RATING NOT APPLIED FOR

Neither the Issuer nor the Borrower has applied for a rating of the Subordinate Bonds from any of the national credit rating agencies, and, consequently, the Subordinate Bonds have not been rated by any national credit rating agency. The Borrower has not received a rating from any of the national credit rating agencies. The Subordinate Bonds are believed to bear higher rates of interest than obligations with investment-grade ratings in order to compensate investors for a level of risk that is higher than the risk generally associated with investment-grade obligations. In addition, unrated obligations such as the Subordinate Bonds typically have less liquidity in the secondary market than obligations that have received a rating from a national credit rating agency. See “BONDHOLDERS’ RISKS – Absence of Rating” in this Limited Offering Memorandum.

THE SUBORDINATE TRUSTEE

BOKF, NA, a national banking association organized under the laws of the United States, will serve as Trustee, Bond Registrar, and Paying Agent. The Subordinate Trustee will carry out those duties assigned to it under the Subordinate Indenture. Except for the contents of this section, the Subordinate Trustee has not reviewed or participated in the preparation of this Limited Offering Memorandum and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Limited Offering Memorandum or for the recitals contained in the Subordinate Indenture or the Subordinate Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

The mailing address of the Subordinate Trustee is BOKF, NA, 1401 McKinney, Suite 1000, Houston, Texas 77010, Attention: Corporate Trust Services. The Subordinate Trustee’s website is not incorporated into this Limited Offering Memorandum by such reference and is not a part hereof.

MISCELLANEOUS

General

The references herein to the Act, the Subordinate Indenture, the Subordinate Loan Agreement, the Subordinate Mortgage, the Regulatory Agreement, the Guaranty and other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents, and other materials, copies of which will be furnished by the Subordinate Trustee upon request for further information.

Any statements in this Limited Offering Memorandum involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The attached APPENDICES A through G are integral parts of this Limited Offering Memorandum and should be read in their entirety together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Subordinate Bonds, but neither the failure to print such numbers on any Subordinate Bond nor any error in the printing of such numbers will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of or pay for any Subordinate Bonds.

Limited Issuer Involvement

The Borrower and the Guarantor have authorized and approved and the Issuer has consented to the lawful use and distribution of this Limited Offering Memorandum, although the Issuer has not reviewed or

approved any matters herein and assumes no responsibility for the accuracy or completeness of the information herein except for the information under the caption “THE ISSUER” and “ABSENCE OF MATERIAL LITIGATION – The Issuer” in this Limited Offering Memorandum.

No Registration of Subordinate Bonds

Registration or qualification of the offer and sale of the Subordinate Bonds (as distinguished from registration of the ownership of the Subordinate Bonds) is not required under the 1933 Act. THE BORROWER DOES NOT ASSUME ANY RESPONSIBILITY FOR QUALIFICATION OR REGISTRATION OF THE SUBORDINATE BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTION IN WHICH THE SUBORDINATE BONDS MAY BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED.

Interest of Certain Persons Named in this Limited Offering Memorandum

The fees to be paid to counsel to the Placement Agent, the Subordinate Trustee, and the Placement Agent are contingent upon the sale and delivery of the Subordinate Bonds.

Limited Offering Memorandum Certification of the Borrower

The preparation of this Limited Offering Memorandum and its distribution has been authorized by the Borrower. This Limited Offering Memorandum has been “deemed final” by the Borrower in compliance with the provisions of the Rule. This Limited Offering Memorandum is not to be construed as an agreement or contract between the Borrower and any purchaser, owner or holder of any Subordinate Bond.

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APPENDIX A

**THE BORROWER, THE HOUSING PROJECT,
THE GUARANTOR, AND THE MANAGER**

APPENDIX B
MARKET STUDY

APPENDIX C-1

**SUBSTANTIALLY FINAL FORMS OF THE SUBORDINATE
INDENTURE, SUBORDINATE LOAN AGREEMENT AND
REGULATORY AGREEMENT**

APPENDIX C-2

**SUBSTANTIALLY FINAL FORMS OF THE GUARANTY AND
SUBORDINATE MORTGAGE**

APPENDIX D
FORM OF BOND COUNSEL OPINION

APPENDIX D

FORM OF BOND COUNSEL OPINION

[To be provided by Bond Counsel]

APPENDIX E
BOOK-ENTRY SYSTEM ONLY

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Securities. The Subordinate 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 Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 3.8 million issues of U.S. and non-U.S. equity, 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 Standard & Poor’s rating: 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 and www.dtc.org (which websites are not incorporated herein by reference).

Purchases of the Securities under the DTC system must be made by or through Direct Participants which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Subordinate 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 Securities, except in the event that use of the book-entry system for the Subordinate Bonds is discontinued.

To facilitate subsequent transfers, all Subordinate 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 the Subordinate Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bond; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Subordinate 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 Subordinate Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of the Subordinate Bonds may wish to ascertain that the nominee holding the Security 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 registrar and request that copies of the notices be provided directly to them.

Redemption notices are required to be sent to DTC. If less than all of the Subordinate 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 such other DTC nominee) will consent or vote with respect to Subordinate 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 Subordinate Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Subordinate 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, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or 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.

A Beneficial Owner will give notice to elect to have its Security purchased or tendered, through its Participant, to Trustee, and will effect delivery of such Security by causing the Direct Participant to transfer the Participant's interest in the Senior Bonds, on DTC's records, to Trustee. The requirement for physical delivery of Subordinate Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Subordinate Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Subordinate Bonds to the Subordinate Trustee's DTC account.

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

The information 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 takes no responsibility for the accuracy thereof.

THE INFORMATION ABOVE DISCUSSING THE BOOK-ENTRY SYSTEM HAS BEEN FURNISHED BY DTC. NO REPRESENTATION IS MADE BY THE ISSUER, THE BORROWER OR THE PLACEMENT AGENT AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF. NO ATTEMPT HAS BEEN MADE BY THE ISSUER, THE BORROWER OR THE PLACEMENT AGENT TO DETERMINE WHETHER DTC IS OR WILL BE FINANCIALLY OR OTHERWISE CAPABLE OF FULFILLING ITS OBLIGATIONS. THE ISSUER HAS NO RESPONSIBILITY OR OBLIGATION TO DTC PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS, OR THE PERSONS FOR WHICH THEY ACT AS NOMINEES WITH RESPECT TO THE BOND, OR FOR ANY PRINCIPAL OF, OR INTEREST PAYMENT THEREON.

APPENDIX F
FORM OF INVESTOR LETTER

APPENDIX F

FORM OF INVESTOR LETTER

_____, 2024

Manor Housing Public Facility Corporation
Manor, Texas

Re: Manor Housing Public Facility Corporation Subordinate Multifamily Housing Revenue Bonds
(Tower Road Apartments), Series 2024 (the “Subordinate Bonds”)

Ladies and Gentlemen:

The undersigned, as authorized representative of the purchaser named below (the “Purchaser”), represents that the Purchaser has purchased all of the Subordinate Bonds. In connection with such purchase, the Manor Housing Public Facility Corporation (the “Issuer”) requires that the Purchaser make certain representations as to the Purchaser’s willingness to accept the risks of investing in the Subordinate Bonds, the Purchaser’s investigation of such risks, and such other matters. Accordingly, the Purchaser represents and warrants to the Issuer Parties (as defined herein) as follows:

- A. **QUALIFICATION.** The Purchaser is (i) a Qualified Institutional Buyer (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “1933 Act”) (an “Approved Buyer”).
- B. **NO REGISTRATION; TRANSFERABILITY.** The Purchaser understands that the Subordinate Indenture of Trust, dated as of October 1, 2024 (the “Subordinate Indenture”), between the Issuer and BOKF, NA, as trustee (the “Subordinate Trustee”), relating to the Subordinate Bonds, has not been registered under the 1933 Act, the securities laws of any state or the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. The Purchaser acknowledges that the Subordinate Bonds (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state and (ii) will not be listed on any securities exchange. The Purchaser has been informed and agrees that the Subordinate Bonds may only be transferred, in whole or in part, to a subsequent purchaser who is (A) an Approved Buyer, or (B) an “accredited investor” as defined in Section 501(a)(1), (2), (3), (7), or (8) of Regulation D promulgated under the 1933 Act (“Institutional Accredited Investors”), or (C) a transferee composed solely of Qualified Institutional Buyers or Institutional Accredited Investors, or (D) a deposit or sale of the Subordinate Bonds in or to a trust or custodial entity or arrangement, or any repurchase transaction or other secured lending transaction in which title, rights, or interest in the Subordinate Bonds are granted to a buyer or transferee, with respect to which, in each sale, each of the beneficial owners of which are Qualified Institutional Buyers or “accredited investors” as defined in Section 501(a) of Regulation D promulgated under the 1933 Act ((A) through (D), an “Approved Transferee”).
- C. **INDEPENDENT EVALUATION; WAIVER OF ISSUER’S DUE DILIGENCE; RELEASE.** The Purchaser has independently evaluated the factors associated with its investment decision, including the information contained in the limited offering memorandum (the “Offering Document”) regarding the proposed multifamily housing project to be financed in part with proceeds of the Subordinate Bonds (the “Housing Project”). The Purchaser acknowledges that the Subordinate Bonds are not rated by any credit rating agency. Purchaser acknowledges that the Issuer, the City of Manor, Texas (the “City”), the State of Texas (the “State”) and any of their past, present, and future directors, officers, members, employees, counsel, advisors, consultants, contractors and agents of any of the foregoing (each individually an “Issuer Party” and all collectively the “Issuer Parties”), except with respect to the information in the Offering Document under the headings “THE ISSUER” and “ABSENCE OF MATERIAL LITIGATION – The Issuer” (collectively, the “Issuer Portion”), have not undertaken to furnish information to the Purchaser, or to ascertain the accuracy or completeness of any information that may have been furnished to the Purchaser by or on behalf of the Issuer, Manor Leased Housing Associates I, Limited Partnership (the “Borrower”) or Dominion Holdings II,

LLC (the “Guarantor”) relating to the proposed operations, financial condition or future prospects of the Borrower, the Guarantor or the Housing Project and that none of the Issuer Parties have made any representations concerning the accuracy or completeness of any information supplied to the Purchaser (except with respect to the Issuer Portion) or relating to the Borrower, the Guarantor and the Housing Project. Except with respect to the Issuer Portion, the Purchaser hereby waives any requirements of due diligence in investigation or inquiry on the part of any of the Issuer Parties and all claims, actions, or causes of action which the Purchaser may have directly or indirectly from or relating to any action which the Issuer took, or could have taken, in connection with the issuance and sale of the Subordinate Bonds to the Purchaser.

- D. **SOPHISTICATION.** The Purchaser is sufficiently knowledgeable and experienced in financial and business matters, including the purchase and ownership of tax-exempt and taxable municipal obligations and other tax-exempt obligations for affordable multifamily housing developments, to be able to evaluate the risks and merits of the investment represented by the purchase of the Subordinate Bonds.
- E. **INVESTMENT PURPOSE.** The Purchaser is purchasing the Subordinate Bonds for investment and not with a current view to distribution, transfer, or resale thereof, provided that the disposition of the Subordinate Bonds shall at all times be within the sole control of the Purchaser within the constraints referenced above in paragraph B.
- F. **SPECIAL LIMITED OBLIGATIONS.** The Purchaser understands that the Subordinate Bonds are special limited, and not general, obligations of the Issuer payable solely from the Trust Estate pledged to the Subordinate Trustee under the Subordinate Indenture. The Purchaser understands that the Subordinate Bonds are not secured by any obligations or the pledge of any monies received or to be received from taxation or from the State or any political subdivision or taxing district thereof (including, without implied limitation, the Issuer), and that the Subordinate Bonds will never represent or constitute a general obligation, debt, or bonded indebtedness of the State, or any political subdivision thereof, and that no right will exist to have taxes levied by the State, or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on the Subordinate Bonds, and that payment of the principal of, premium, if any, and interest on the Subordinate Bonds depends upon the Trust Estate pledged to the Subordinate Trustee under the Subordinate Indenture. The Purchaser understands that the Issuer has no taxing power.
- G. **SURVIVAL.** All representations of the Purchaser contained herein shall survive the sale and delivery of the Subordinate Bonds to the Purchaser as representations of fact existing as of the date of execution and delivery of this Investor Letter.
- H. **DEFINED TERMS.** The capitalized terms not defined herein shall have the meaning ascribed to such terms in the Subordinate Indenture.

Yours very truly,

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

APPENDIX G

FORM OF VOLUNTARY CONTINUING DISCLOSURE AGREEMENT

APPENDIX G

FORM OF VOLUNTARY CONTINUING DISCLOSURE AGREEMENT

[To be attached]

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