

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY ___, 2023

NEW ISSUE – Book-Entry Only

RATING: Moody's "[Aaa/VMIG 1]"
SEE "RATING" herein.

In the opinion of Bond Counsel to the Issuer, assuming compliance with certain covenants by the Borrower and the Issuer (each as defined below), under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion, for federal income tax purposes, (i) interest on the Bonds is excludable from the gross income of the owners thereof, except for any holder who is treated pursuant to section 147(a) of the Internal Revenue Code of 1986 (the "Code") as a "substantial user" of the Project or, a "related person" to such user, and (ii) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Code. See "TAX MATTERS" herein for additional information.

\$9,000,000*

Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Live Make Apartments),
Series 2023

Dated: Date of Delivery

Initial Interest Rate: ____ %

Initial Placement Price: 100%*

Maturity Date: ____ 1, 20__*

Initial Mandatory Tender Date: ____ 1, 20__*

CUSIP: _____

The Austin Housing Finance Corporation (the "Issuer") is issuing its Multifamily Housing Revenue Bonds (Live Make Apartments), Series 2023 (the "Bonds") pursuant to a Trust Indenture dated as of January 1, 2023 (the "Indenture"), by and between the Issuer and Wilmington Trust, National Association, as trustee (the "Trustee"). The Bonds shall bear interest on the outstanding principal amount thereof at the Interest Rate set forth above (the "Initial Interest Rate") from their date of issuance to and including the Initial Mandatory Tender Date set forth above (the "Initial Mandatory Tender Date"), payable on each ____ 1 and ____ 1 commencing ____ 1, 2023*. See "THE BONDS" herein.

The Bonds are being issued to finance a loan (the "Loan") to Live Make Housing Partners LP, a Texas limited partnership (the "Borrower") to enable the Borrower to pay a portion of the cost of the demolition, acquisition, construction, equipping and financing of 66 units of affordable rental housing located in Austin, Texas, and known as Live Make Apartments (the "Project"). The Loan will be made to the Borrower pursuant to a Loan Agreement, dated as of January 1, 2023 (the "Loan Agreement"), between the Issuer and the Borrower, under which the Borrower has agreed to provide, as described herein, payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due. The Loan will be evidenced by a promissory note in the principal amount of \$9,000,000* (the "Note") from the Borrower to the Issuer.

The Borrower will cause Eligible Funds (in an amount equal to each Requisition from the Project Fund and up to \$9,000,000*) to be deposited into the Collateral Fund established under the Indenture. It is anticipated that the principal of and interest on the Bonds will be paid from amounts on deposit in the Bond Fund, the Collateral Fund, and the Project Fund and the investment earnings thereon.

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

The Bonds are subject to redemption prior to maturity as set forth herein. See "Introduction."

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

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER. THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE STATE OF TEXAS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered for delivery when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and subject to the approval of legality by McCall, Parkhurst & Horton LLP, Dallas, Texas, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. and for the Borrower by its counsel, MRE Capital, LLC, Overland Park, Kansas. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in New York, New York on or about January ___, 2023.

This cover page contains limited information for ease of reference only. It is not a summary of the Bonds or the security therefor. The entire Official Statement, including the Appendices, must be read to obtain information essential to make an informed investment decision, paying particular attention to the matters discussed in "CERTAIN BONDHOLDERS' RISKS" herein.

STIFEL

Date: January ___, 2023

* Preliminary; subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

No broker, dealer, salesman or other person has been authorized by the Issuer, to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to the registration or qualification under the securities laws of any such jurisdiction. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under the Indenture shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

All quotations from and summaries and explanations of provisions of laws and documents herein do not purport to be complete and reference is made to such laws and documents for full and complete statements of their provisions. This Official Statement is not to be construed as a contract or agreement between the Issuer and the purchasers or owners of any of the Bonds. All statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The cover page hereof, inside front cover, and the appendices attached hereto are part of this Official Statement. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Bonds shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The order and placement of information in this Official Statement, including the Appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the Appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience only and in no way define, limit, or describe the scope and intent, or affect the meaning or construction, of any provision or section of this Official Statement.

CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

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

TABLE OF CONTENTS

	Page
INTRODUCTION	1
THE ISSUER.....	2
THE MORTGAGE LOAN, COLLATERAL PAYMENTS AND DISBURSEMENT OF BOND PROCEEDS	3
THE BONDS	3
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	8
PRIVATE PARTICIPANTS	9
THE PROJECT	10
CERTAIN BONDHOLDERS' RISKS.....	13
TAX MATTERS	15
UNDERWRITING	18
RATING	18
UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE	18
CERTAIN LEGAL MATTERS	19
ABSENCE OF LITIGATION	19
ADDITIONAL INFORMATION.....	19
 APPENDIX A DEFINITIONS OF CERTAIN TERMS	 A-1
APPENDIX B SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE	B-1
APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT	C-1
APPENDIX D SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT	D-1
APPENDIX E FORM OF CONTINUING DISCLOSURE AGREEMENT	E-1
APPENDIX F FORM OF BOND COUNSEL OPINION	F-1

OFFICIAL STATEMENT

\$9,000,000*

**Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Live Make Apartments),
Series 2023**

INTRODUCTION

This Official Statement (this “Official Statement”) has been prepared in connection with the issuance of the above-captioned Bonds (the “Bonds”) by the Austin Housing Finance Corporation (the “Issuer”), a housing finance corporation duly organized and existing under the laws of the State of Texas (the “State”). The Board of Directors of the Issuer has authorized the issuance of the Bonds by its duly adopted Resolution dated December __, 2022 (the “Resolution”), and the Bonds are issued pursuant to a Trust Indenture dated as of January 1, 2023 (the “Indenture”), by and between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”). Certain capitalized terms that are used in this Official Statement and not otherwise defined shall have the definitions ascribed to them in “APPENDIX A – DEFINITIONS OF CERTAIN TERMS” hereto.

The Bonds are to be issued pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the “Act”), for the purpose of providing funds to make a loan (the “Loan”) to Live Make Housing Partners LP, a Texas limited partnership (the “Borrower”) to enable the Borrower to pay a portion of the cost of the demolition, acquisition, construction, equipping and financing of 66 units of affordable rental housing located in Austin, Texas, and known as Live Make Apartments (the “Project”). See “PRIVATE PARTICIPANTS” and “THE PROJECT” herein.

The Loan will be made to the Borrower under a Loan Agreement dated as of January 1, 2023 (the “Loan Agreement”), by and between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower has agreed to make payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due (the “Bond Service Charges”) to the extent that amounts otherwise available for such payment are insufficient therefor. The Loan will be evidenced by a promissory note in the principal amount of \$9,000,000* (the “Note”) from the Borrower to the Issuer.

The Borrower will cause Eligible Funds (in an amount equal to each Requisition from the Project Fund and up to \$9,000,000*) to be deposited into the Collateral Fund held by the Trustee under the Indenture. Prior to the disbursement of amounts drawn from the Project Fund to pay Qualified Project Costs, a like amount of funds from the Lender, as applicable, is required to be deposited into the Collateral Fund. See “THE MORTGAGE LOAN, COLLATERAL PAYMENTS AND DISBURSEMENT OF BOND PROCEEDS” herein.

It is anticipated that the aggregate funds and Eligible Investments on deposit in the Project Fund and the Collateral Fund will, at all times, equal the principal amount of Bonds Outstanding. It is anticipated that the Bond Service Charges will be paid from amounts on deposit in the Bond Fund, the Collateral Fund and the Project Fund, and investment earnings thereon. Amounts on deposit in the Collateral Fund, the Negative Arbitrage Account of the Bond Fund and the Project Fund will be invested in Eligible Investments. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Bonds shall bear interest on the outstanding principal amount thereof at a rate equal to the Initial Interest Rate from their date of issuance, to and including, _____ 1, 20__* (the “Initial Mandatory Tender Date”), payable on each _____ 1 and _____ 1, commencing _____ 1, 2023* (each an “Interest Payment Date”) and on each Mandatory Tender Date.

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on (i) the Funding Date, (ii) the Initial Mandatory Tender Date or (iii) any other

* Preliminary; subject to change.

Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on (i) the Funding Date, (ii) the Initial Mandatory Tender Date or (iii) any other Mandatory Tender Date. A new interest rate for the Bonds may be determined on a Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on a Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after a Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

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

Brief descriptions of the Issuer, the Borrower, the Lender, the Mortgage Loan, the Project, the Bonds, the security for the Bonds, the Indenture, the Loan Agreement and the Tax Regulatory Agreement are included in this Official Statement. The summaries herein do not purport to be complete and are qualified in their entireties by reference to such documents, agreements and programs as may be referred to herein, and the summaries herein of the Bonds are further qualified in their entireties by reference to the form of the Bonds included in the Indenture and the provisions with respect thereto included in the aforesaid documents.

THE ISSUER

The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the Underwriter, nor any of their respective counsel, members, officers or employees makes any representations as to the accuracy or sufficiency of such information.

The Issuer is a public nonprofit corporation established in accordance with the Act following adoption of an approving ordinance by the City of Austin, Texas (the “Unit”). The Issuer is authorized pursuant to the Act to (a) make loans to any person to provide financing for residential developments located within the Unit, as determined by the Issuer; (b) issue its revenue bonds for the purpose of obtaining money to make such loans and provide such financing, to establish necessary reserve funds and to pay administrative costs and other costs incurred in connection with the issuance of such bonds; and (c) pledge all or any part of the revenues, receipts or resources of the Issuer, including the revenues and receipts to be received by the Issuer from or in connection with such loans and to mortgage, pledge or grant security interests in such loans or other property of the Issuer in order to secure the payment of the principal or redemption price of or the interest on such bonds. The Issuer has no taxing power and receives no appropriations from the State or any other governmental body besides the Unit. The Issuer has not participated in the preparation of this Official Statement and, except for the information under the captions “THE ISSUER” and “ABSENCE OF LITIGATION — The Issuer,” has not provided any of the information contained in this Official Statement.

Neither the State nor any political corporation or subdivision of the State, including the Unit, is liable for the payment of the principal of, premium of, if any, or interest on the Bonds. Such entities are prohibited from making payments with respect to the Bonds. The Bonds are limited obligations of the Issuer and are payable solely from the assets and funds pledged under the Indenture as security for the Bonds.

The Issuer will not have any involvement or responsibility in the development, construction, management or operation of the Project, which will be the sole responsibility of the Borrower.

The Issuer has previously issued bonds for the purpose of financing other properties for other borrowers which are payable from revenues received from such other borrowers. The security and source of payment for other bonds previously issued by the Issuer, or to be issued in the future, for other borrowers and projects is separate and distinct from the source of payment for the Bonds, and accordingly, any default by any such other borrower with respect to any of such other bonds would not adversely affect the payment of the Bonds.

THE MORTGAGE LOAN, COLLATERAL PAYMENTS AND DISBURSEMENT OF BOND PROCEEDS

The Borrower will cause Eligible Funds (in an amount equal to each Requisition from the Project Fund and up to \$9,000,000*) to be deposited into the Collateral Fund under the Indenture (the “Collateral Payments”) such that the amount in the Collateral Fund and the amount disbursed from the Project Fund from time to time shall at all times be equal. The maximum aggregate amount of funds to be deposited as Collateral Payments over time will be \$9,000,000*.

Principal on the Bonds, when due and payable, shall be paid (a) in the first instance from the money on deposit in the Bond Fund, (b) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (c) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund. The Indenture provides that the amount of funds disbursed from the Project Fund on any given date for payment of Qualified Project Costs shall constitute Bond Proceeds, and shall at all times equal the sum of Collateral Payments deposited in the Collateral Fund. Accordingly, the aggregate amount in the Collateral Fund and Bond Proceeds shall at all times be equal.

Notwithstanding any provision of the Loan Agreement or the Indenture to the contrary, the Trustee will not act upon the delivery of a certified copy of the disbursement request of funds from the Project Fund, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has verified that the sum of the amount then held in the Collateral Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund is at least equal to the then outstanding principal amount of the Bonds. The Lender will not make a Collateral Payment until the Trustee has first confirmed this calculation to the Lender. Upon receipt of a Collateral Payment, the Trustee shall be unconditionally and irrevocably obligated to disburse Bond Proceeds in the amount of the Collateral Payment to the Borrower’s checking account at the Lender, or at the direction of, the Lender to pay for Qualified Project Costs.

The amounts on deposit in the Project Fund, the Bond Fund and the Collateral Fund will be invested on the Closing Date in Eligible Investments. See “SECURITY FOR THE BONDS – Investment of Special Funds; Eligible Investments” herein. The amount by which the aggregate interest payments on the Bonds exceeds the expected investment earnings on Eligible Investments is required, pursuant to the Indenture and the Loan Agreement, to be deposited on the Closing Date to the Negative Arbitrage Account of the Bond Fund from or on behalf of the Borrower.

THE BONDS

Terms of Bonds Generally

The Bonds shall be issued in Authorized Denominations and shall mature on _____ 1, 20__* (the “Maturity Date”). The Bonds are dated their date of delivery and shall bear interest at the Initial Interest Rate from their date of delivery, to but not including the Mandatory Tender Date, payable on each Interest Payment Date, commencing _____ 1, 2023* and on each Mandatory Tender Date.

Interest on the Bonds shall be computed on the basis of a 360-day year of 12 months of 30 days each.

The principal of and interest on any of the Bonds shall be payable in lawful money of the United States of America. Except as described below under the subcaption “Book-Entry-Only System,” (a) the principal of any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the Designated Office of the Trustee or at the office, designated by the Trustee, of any Paying Agent and (b) interest on any Bond shall be paid on each Interest Payment Date by check or draft which the Trustee shall cause to be mailed on that date to the Person in whose name the Bond (or one or more Predecessor Bonds) is registered at the close of business of the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein.

* Preliminary; subject to change.

Redemption of the Bonds

The Bonds are subject to redemption prior to the Maturity Date as follows:

(i) prior to Funding, the Bonds are subject to mandatory redemption in whole, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has not previously elected pursuant to the Indenture and the Loan Agreement to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. The Bonds shall be redeemed at a redemption price equal to 100% of the principal amount of such Bonds plus accrued interest to the applicable Redemption Date from funds on deposit in, or transferred from, the Bond Fund, the Collateral Fund, and the Project Fund; or

(ii) in part on the Funding Date in an amount necessary to reduce the aggregate principal amount of Outstanding Bonds to an amount in order to achieve compliance with the Funding Conditions; or

(iii) in whole, following receipt by the Trustee of notice from the Servicer stating that an Event of Default has occurred under the Indenture, the Loan Agreement, the Permanent Loan Agreement or the Construction Loan Agreement and demanding redemption of the Bonds, on any date selected by the Servicer, specified in a notice in writing delivered to the Borrower; or

(iv) prior to the Funding Date, at the direction of the Issuer at the written request of the Borrower, and with the delivery of a Cash Flow Projection, along with Eligible Funds, if any, set forth in such Cash Flow Projection, in whole or in part on any date on or after the later to occur of (a) the date that the Project is placed in service, as certified in writing by the Borrower to the Trustee, and (b) the Optional Redemption Date, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the applicable Redemption Date from funds on deposit in, or transferred from, the Bond Fund, the Collateral Fund and, after the Completion Date, the Project Fund; or

(v) after the Funding Date, the Bonds shall not be subject to optional prepayment except as described in the Permanent Loan Agreement.

Redemption Price. Any Bonds being redeemed on or after Funding and before maturity in accordance with the Indenture shall be redeemed at a redemption price equal to the principal amount of the Bonds being redeemed, together with accrued interest to the date of redemption, plus the Prepayment Fee, if redemption is under paragraphs (iii) or (iv), or Additional Interest, if redemption is under paragraph (ii) above.

In the event that the Bonds are redeemed at the direction of the Borrower pursuant to paragraph (v) of “Redemption of the Bonds” above prior to the end of the Qualified Project Period (as defined in, and determined pursuant to, the Tax Regulatory Agreement), then the Borrower shall pay to the Issuer on or before the date of redemption, the Bond Monitoring Agent Fee (as defined in the Tax Regulatory Agreement) which otherwise would have been payable from the Redemption Date through the end of the Qualified Project Period; provided, however, that such payment shall be subject to the same restrictions and limitations set forth in the immediately preceding paragraph.

Partial Redemption of Bonds. In the case of a partial redemption of Bonds when Bonds of denominations greater than \$5,000 are then Outstanding, each \$5,000 unit of face value of principal thereof shall be treated as though it were a separate Bond of the denomination of \$5,000. If it is determined that one or more, but not all of the \$5,000 units of face value represented by a Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units, the Holder of that Bond shall surrender the Bond to the Trustee (a) for payment of the redemption price of the \$5,000 unit or units of face value called for redemption (including without limitation, the interest accrued to the date fixed for redemption and any premium), and (b) for issuance, without charge to the Holder thereof, of a new Bond or Bonds of the same series, of any Authorized Denomination in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered.

If less than all of an Outstanding Bond of one maturity in a Book-Entry System is to be called for redemption, the Trustee shall give notice to the Securities Depository or the nominee of the Securities Depository that is the Holder of such Bond, and the selection of the Beneficial Owners of that Bond to be redeemed shall be at the sole discretion of the Securities Depository and its participants.

Notice of Redemption

Unless waived by any Holder of Bonds to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by first class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 20 days nor more than 30 days prior to the date fixed for redemption. A second notice of redemption shall be given, as soon as practicable, by first class mail to the Holder of each Bond which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within 60 days following the date fixed for redemption of that Bond.

Mandatory Tender

All Outstanding Bonds shall be subject to mandatory tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date.

While tendered Bonds are in the custody of the Trustee pending purchase pursuant to the Indenture, the tendering Holders thereof shall be deemed the owners thereof for all purposes, and interest accruing on tendered Bonds through the day preceding the applicable Mandatory Tender Date is to be paid as if such Bonds had not been tendered for purchase.

Notwithstanding anything in the Indenture to the contrary, any Bond tendered under this heading will not be purchased if such Bond matures or is redeemed on or prior to the applicable Mandatory Tender Date.

The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Bonds deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase, (iii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest; if any, on Bonds tendered for purchase, (iv) amounts on deposit in the Project Fund to pay the accrued interest, if any, on the Bonds tendered for purchase and (v) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Bonds shall be deemed to have been tendered for purposes of this heading whether or not the Holders shall have delivered such Undelivered Bonds to the Trustee, and subject to the right of the Holders of such Undelivered Bonds to receive the purchase price of such Bonds and interest accrued thereon to the Mandatory Tender Date, such Undelivered Bonds shall be null and void. If such Undelivered Bonds are to be remarketed, the Trustee shall authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

With respect to any mandatory tender on the Funding Date, at the written direction of the Borrower, the Trustee shall sell or redeem Eligible Investments on deposit in the Project Fund and Collateral Fund and use the proceeds thereof to purchase the Bonds at the mandatory redemption price along with any deposit of Eligible Funds from the Borrower as described in the following paragraph below.

In connection with any mandatory tender on the Funding Date, the Trustee is permitted to sell Eligible Investments or redeem Eligible Investments prior to maturity at a price below par only if the Trustee receives a Cash Flow Projection and any Eligible Funds required pursuant to such Cash Flow Projection.

Mandatory Tender Notice

Not less than 5 days preceding the Funding Date, and 30 days preceding any other Mandatory Tender Date, the Trustee shall give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Limited Partner and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (a) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date, (b) all Outstanding Bonds must be tendered for purchase no later than 12:00 noon Local Time on the Mandatory Tender Date and (c) Holders will not have the right to elect to retain their Bonds;

(ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;

(iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date; and

(iv) any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the 30th day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Bond to the Trustee and stating that delivery of the Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Bond.

Neither failure to give or receive any notice described in this heading, nor the lack of timeliness of such notice or any defect in any notice (or in its content) shall affect the validity or sufficiency of any action required or provided for in this heading.

Book-Entry Only System

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

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, 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 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies,

clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from Issuer or Agent, on 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, Agent, 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 Issuer or Agent,

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond 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 Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be secured by all right, title and interest of the Issuer in the Trust Estate, including, but not limited to (i) all right, title and interest of the Issuer in and to all Revenues, derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Loan Agreement (other than the Reserved Rights of the Issuer), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate, (ii) all right, title and interest of the Issuer in and to the Note (other than the Reserved Rights of the Issuer) including all payments and proceeds with respect thereto or replacement thereof, (iii) all moneys (including Collateral Payments) which are at any time or from time to time on deposit in any fund or account created under the Indenture (excluding funds held in the Rebate Fund and the Costs of Issuance Fund), (iv) all right, title and interest of the Issuer in and to, and remedies under, the Loan Agreement; and (v) all funds, moneys and securities and any and all other rights and interests in property, including the Permanent Mode Deed of Trust, whether tangible or intangible from time to time hereafter by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture (the foregoing collectively referred to as the "Trust Estate").

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER. THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION OF THE STATE OF TEXAS, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

Repayment of Loan

The Loan Agreement and the Note obligate the Borrower to cause to be paid to the Trustee amounts that shall be sufficient to pay Bond Service Charges coming due on each Bond Payment Date, however, it is expected that Collateral Payments required to be deposited in the Collateral Fund and amounts on deposit in the Bond Fund and the

Project Fund, along with interest earnings thereon, will be sufficient to pay such Bond Service Charges and such amounts will be a credit against the Borrower's payment obligations under the Loan Agreement and the Note.

Investment of Special Funds; Eligible Investments

On the Closing Date, all amounts on deposit in the Special Funds will be invested in Eligible Investments. It is anticipated that Bond Service Charges will be paid from amounts on deposit in the Special Funds and any investment earnings thereon.

Additional Bonds

No additional Bonds on parity with the Bonds may be issued pursuant to the Indenture.

PRIVATE PARTICIPANTS

The following information concerning the private participants has been provided by representatives of the Borrower and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Borrower

The Borrower is Live Make Housing Partners LP, a Texas limited partnership, a single-asset entity formed for the specific purpose of acquiring, owning and operating the Project. The General Partner of the Borrower is Tillery Street Housing, LLC, a Texas limited liability company (the "General Partner"), which will have a 0.01% ownership interest in the Borrower. RSEP Holding, LLC, a Delaware limited liability company (the "Investor Limited Partner"), will own a 99.99% interest in the Borrower.

The Borrower has not acquired and does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the Project. However, affiliates of the Borrower may engage in the acquisition, development, ownership and management of other similar types of projects that may be competitive with the Project.

The Developer and Co-Developers

The developer is MRE Capital, LLC, a Kansas limited liability company (the "Developer"). The Developer was started in 2008 and has 14 years of experience in affordable housing development. The Developer has developed 1,282 units in six states.

[ADD DESCRIPTION OF CO-DEVELOPERS.]

Investor Limited Partner

Simultaneously with the issuance of the Bonds, the Borrower expects the General Partner and the Investor Limited Partner to enter into an amended and restated agreement of limited partnership of the Borrower pursuant to which the Investor Limited Partner will acquire a 99.99% ownership interest in the Borrower. Pursuant to the offer, the equity funding arrangements for the funding of the tax credit equity are expected to be in the total amount set forth under "THE PROJECT — Plan of Financing" herein paid in stages during and after rehabilitation of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Limited Assets and Obligation of Borrower, General Partner and Investor Limited Partner

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

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

The Property Manager

The Project will be managed by _____ or its affiliates (collectively, the "Property Manager"). The Property Manager is not an affiliate of the Developer. The Property Manager has been involved in the management of apartment complexes since 20___. The Property Manager currently manages more than ___ apartment complexes comprising a total of approximately _____ units throughout the United States. The Property Manager was formed in 20___ and currently has a staff of ___ corporate personnel and ___ site employees.

The General Contractor

The general contractor for the Project will be Streamline Construction, LLC (the "General Contractor"). The General Contractor is an affiliate of the Developer. The General Contractor and its affiliated construction companies have been constructing and rehabilitating multifamily rental housing developments for more than nine years and have constructed more than 19 projects, with nearly 1,240 units.

The Architect

The architect for the Project is Wallace Architects, LLC (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 25 years and has been the principal architect for approximately 800 multifamily developments with an excess of 39,000 units throughout Washington, Oregon, Colorado, Texas, Oklahoma, Kansas, Nebraska, Iowa, Michigan, Missouri, Illinois, Indiana, Arkansas, Louisiana, Mississippi, Louisiana, Georgia, Tennessee, Kentucky, Florida, North Carolina, South Carolina, Virginia and Connecticut.

THE PROJECT

The following information concerning the Project has been provided by representatives of the Borrower and has not been independently confirmed or verified by either the Underwriter or the Issuer. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.

The Project, known as Live Make Apartments, is located in Austin, Texas, on an approximately 2.65-acre site. The Project contains 66 apartment units located in one building. Construction of the Project is anticipated to commence in January 2023 and be completed approximately 12 months later.

The building construction consists of one building, including 66 residential units with community space. Common area improvements will include: an office, ceramics studio, painting studio, community activity and meeting room, full kitchen and dining room, and package lockers. Site amenities will include: bicycle racks, and walking paths providing connectivity to the adjacent parkland. There are 59 parking spaces for resident use only.

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

Unit Type	Average Square Feet	Number of Units
Efficiency	550	30
1 bedroom / 1 bath	650	19
2 bedroom / 2 bath	880	12
3 bedroom / 2 bath	1,053	<u>6</u>
TOTAL		66

Plan of Financing

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

Sources of Funds*	
Bond Proceeds ¹	\$9,000,000
Mortgage Loan	8,580,000
Federal Tax Credit Equity	7,580,389
AHFC RHDA Loan	6,500,000
Deferred Developer Fee	<u>127,689</u>
Total	<u>\$31,788,078</u>
Uses of Funds*	
Acquisition Costs	\$45,000
Construction Costs	12,160,971
Architect/Engineer/Third Party	1,643,691
Replacement, Operating and Marketing Reserves	411,500
Costs of Issuance/Finance Fees	1,234,010
Developer Fee	2,112,906
Payment of Bond Principal	<u>9,000,000</u>
Total	<u>\$26,608,078</u>

¹ Subject to the satisfaction of certain conditions, the Bonds may be redeemed on or prior to the Initial Mandatory Tender Date with certain Eligible Funds, including the proceeds of a loan provided by the Permanent Phase lender to purchase the Bonds in the Permanent Loan Amount.

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

The Mortgage Loan. The Project will utilize a mortgage loan (the "Mortgage Loan" or the "Construction Loan") from Zions Bancorporation, N.A., dba Amegy Bank (the "Mortgage Lender" or the "Construction Lender"). The Mortgage Loan is expected to be in the original principal amount of \$8,580,000* and is to bear interest at the rate of ____%* per annum. The Mortgage Loan proceeds will be disbursed by the Mortgage Lender based upon advances approved by the Mortgage Lender. Such advances will be evidenced by the promissory note made by the Borrower and payable to the order of the Mortgage Lender, secured by a senior deed of trust on the Project. It is anticipated that proceeds of the Mortgage Loan will be deposited into the Collateral Fund, thereby permitting the Trustee to transfer a like amount from the Project Fund pursuant to the Indenture. The Mortgage Loan will be interest-only until its maturity when all principal and interest then outstanding shall be due and payable. No disbursement shall be made from the Project Fund pursuant to a Requisition submitted by or on behalf of Borrower unless and until the Mortgage Lender has approved that Requisition in writing in accordance with the Mortgage Loan Documents.

The Low Income Housing Tax Credit Proceeds. Simultaneously with the issuance of the Bonds, the Borrower expects to sell to the Investor Limited Partner a 99.99% ownership interest in the Borrower. Pursuant to the sale, the funding of the Federal Low Income Housing Tax Credit equity will total approximately \$8,423,452*, with an initial capital contribution of \$7,580,389*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the

* Preliminary; subject to change.

funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The AHFC RHDA Loan. The Project will also utilize a Rental Housing Development Assistance loan from the Issuer (in such capacity, the “AHFC RHDA Lender”) in the principal amount of \$6,500,000* (the “AHFC RHDA Loan”). The obligation to repay the AHFC RHDA Loan will be set forth in a promissory note (the “AHFC RHDA Note”) from the Borrower to the AHFC RHDA Lender and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The AHFC RHDA Note will be secured by a subordinate mortgage against the Project subordinate to the Mortgage Loan. The AHFC RHDA Note will have a term [equal to that of the Mortgage Loan][of ____ years] and will bear interest at a rate of 0.00% per annum, with annual principal and interest not otherwise paid, due at maturity.

Deferred Developer Fee. The Project will also utilize deferred developer fee in the amount of \$226,587* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

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

Sources of Funds*:	
Bond Proceeds	\$9,000,000
Eligible Funds	
Total	
Uses of Funds*:	
Project Fund	\$9,000,000
Negative Arbitrage Account	
Total	

Project Regulation

The Borrower intends to construct and operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds, the Borrower, the Issuer and the Trustee will enter into the Tax Regulatory Agreement. Under the Tax Regulatory Agreement, the Borrower will agree that, at all times during the Qualified Project Period, the Borrower will rent at least 40% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is less than 60% of the median area income (adjusted for family size). The Qualified Project Period commences on the later of the Closing Date or the first day on which at least 10% of the units are occupied and continues until the latest of (a) the date which is fifteen (15) years after the later of the Closing Date or the date on which at least ten percent (10%) of the units in the Project are first occupied, (b) the first date on which no tax-exempt private activity bonds with respect to the Project are outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the National Housing Act terminates. The failure of the Borrower to comply with the Tax Regulatory Agreement could cause interest on the Bonds to be included in gross income for federal income tax purposes. See “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT.”

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

* Preliminary; subject to change.

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

CERTAIN BONDHOLDERS' RISKS

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

The Bonds are payable from the payments to be made by the Borrower under the Loan Agreement and the Note, and from amounts on deposit in the Special Funds and the interest earnings thereon. The Borrower's obligation to make payments pursuant to the Loan Agreement and the Note are nonrecourse obligations with respect to which the Borrower and its partners have no personal liability (except as otherwise provided in the Note) and as to which the Borrower and its partners have not pledged any of their respective assets.

General

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

Limited Security for Bonds

The Bonds are not secured by the Mortgage Loan. Investors should look exclusively to amounts on deposit in the Special Funds under the Indenture and investment earnings on each as the source of payment of the Bond Service Charges.

Early Redemption of the Bonds

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

Future Determination of Taxability of the Bonds

Failure of the Borrower to have complied with and to continue to comply with certain covenants contained in the Loan Agreement and the Tax Regulatory Agreement could result in interest on the Bonds being taxable retroactive to the date of original issuance of the Bonds. The Bonds are not subject to redemption upon a determination of taxability and are not subject to payment of additional interest in such an event, and neither the Issuer nor the Borrower will be liable under the Bonds, the Indenture or the Loan Agreement for any such payment of additional interest on the Bonds.

Issuer Limited Liability

The Bonds will not be insured or guaranteed by any governmental entity or by the Issuer or any member or program participant of the foregoing. The Bondholders will have no recourse to the Issuer in the event of an Event of Default on the Bonds. The Trust Estate for the Bonds will be the only source of payment on the Bonds.

Enforceability of Remedies upon an Event of Default

The remedies available to the Trustee and the owners of the Bonds upon an Event of Default under the Indenture, the Loan Agreement, the Tax Regulatory Agreement or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Secondary Markets and Prices

No representation is made concerning the existence of any secondary market for the Bonds. The Remarketing Agent will not be obligated to repurchase any of the Bonds, nor can any assurance be given that any secondary market will develop following the completion of the offering of the Bonds. Further, there can be no assurance that the initial offering prices for the Bonds will continue for any period of time. Furthermore, the Bonds should be purchased for their projected returns only and not for any resale potential, which may or may not exist.

Eligible Investments

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

Rating Based on Eligible Investments

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

Potential Impact of Pandemics

The spread of the strain of coronavirus and resulting disease commonly known as COVID-19 is altering the behavior of businesses and people in a manner that is having negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic, including a strain of coronavirus and resulting disease known as COVID-19, will not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the construction and/or rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project, increase in the time necessary to conduct lease-up at the Project, and increased delinquencies and/or vacancies, all of which could impact the Borrower’s ability to make payments on the loans and result in an acceleration thereof.

Legislative Response to COVID-19

Federal, state and local bodies are contemplating and enacting legislative actions, regulations and/or other administrative directives and guidance to mitigate the impacts of COVID-19 on the general population and the economy. On March 12, 2020, the President of the United States declared a national emergency, and since that time, the United States Congress has approved several COVID-19 related bills, including the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”), signed into law on March 27, 2020, and the Consolidated Appropriations Act, 2021, enacted by the United States Congress on December 21, 2020, and signed into law December 27, 2020 (the “COVID Relief Act”).

The CARES act provides that borrowers of multifamily/affordable housing mortgage loans (other than temporary loans, i.e., construction loans), which loans are (a) insured, guaranteed, supplemented or assisted in any way by the federal government (including any HUD program or related program) or administered by any federal agency or (b) purchased or securitized by Fannie Mae or Freddie Mac and which are current as of February 1, 2020, may request a 30-day payment forbearance, and up to two additional 30-day forbearances. During the period of any such forbearance, the borrower may not evict any tenant solely for nonpayment of rent. Such relief follows actions previously taken by the Federal Housing Finance Agency (“FHFA”), which announced that Fannie Mae and Freddie Mac would offer mortgage loan forbearance to multifamily property owners on the condition that they suspend all evictions for renters who cannot pay their rent because of COVID-19. FHFA has announced that Fannie Mae and Freddie Mac will continue providing the protections described above in this paragraph until otherwise directed by FHFA.

Summary

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

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the Issuer, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (i) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof, except for any holder who is treated pursuant to section 147(a) of the Internal Revenue Code of 1986 (the “Code”) as a “substantial user” of the Project or, a “related person” to such user and (ii) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Code. Except as stated above, Bond Counsel to the Issuer will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See “APPENDIX F — FORM OF BOND COUNSEL OPINION.”

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on certain information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the either the Company or the Issuer with respect to the Bonds or the Project. No assurances can be given as to whether or not the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Issuer as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Continuous Compliance Requirement

In rendering its opinion, Bond Counsel to the Issuer (a) will rely upon information furnished by the Company, and particularly written representations of officers and agents of the Company with respect to certain material facts that are solely within their knowledge relating to the use of the proceeds of the Bonds, and the construction and use of the Project and (b) will assume continuing compliance with covenants of the Issuer, the Company and the Trustee with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. If the representations are determined to be inaccurate, or there is a failure to comply with the

covenants, then the interest on the Bonds could become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the Issuer is conditioned on compliance by the Issuer and the Company with such requirements, and Bond Counsel to the Issuer has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

In the case of bonds used to provide a residential rental project within the meaning of section 142(a)(7) of the Code, such as the Bonds, the Code also requires that the bonds, among other requirements, continuously comply with a “low or moderate income occupancy requirement” during a “qualified project period.” Such low or moderate income occupancy requirement obligates the Company or any subsequent owner of the Project to set aside a specified percentage of the units for persons whose income complies with the requirements of the regulations. The qualified project period will extend for, at a minimum, 15 years and may extend for a period beyond the final repayment of the Bonds. Under section 142(a)(7) of the Code, the failure to satisfy the low or moderate income occupancy requirement on a continuous basis or the failure to satisfy certain of the other requirements may cause interest on the Bonds to be includable in gross income retroactively to the date of issue of the Bonds.

The Issuer and the Trustee have adopted requirements and procedures intended to monitor compliance with the aforementioned requirements with respect to the Project. Such requirements and procedures are set forth in the Indenture, Loan Agreement and Regulatory Agreement. No assurance, however, can be given that in the event of a breach of any of the covenants set forth in such documents, that a remedy will be available to the Issuer and the Trustee through enforcement by a court of competent jurisdiction in such a manner as to satisfy the provisions of the Code. If the Company fails to comply with these covenants and the remedies are limited in such a manner as to be inadequate to satisfy the provisions of the Code, then the holder should be aware that there is no right or obligation on the part of the Issuer, Trustee or Company to accelerate or redeem the Bonds. Such holders may be required to retain ownership of the Bonds until maturity bearing interest that is includable in gross income for federal income tax purposes.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the

accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with accumulated C earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (I.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has entered into an Initial Bond Purchase Agreement to purchase and place all of the Bonds with an institutional investor, at a price equal to the aggregate price set forth on the inside cover hereof, plus accrued interest to the date of delivery thereof. The Initial Bond Purchase Agreement provides that the Underwriter will purchase and place the Bonds at a purchase price equal to 100% of the principal amount thereof. For its services, the Underwriter will be paid by the Borrower a fee in the amount of \$_____, plus \$_____ for certain fees and expenses. The obligations of the Underwriter to pay for the Bonds are subject to certain terms and conditions set forth in the Initial Bond Purchase Agreement. The Borrower has agreed to indemnify the Underwriter and the Issuer as to certain matters in connection with the Bonds.

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

RATING

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

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Simultaneously with the issuance of the Bonds, the Borrower will execute and deliver a Continuing Disclosure Agreement pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). Financial statements and other operating data will be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access ("EMMA") system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as APPENDIX E.

A failure by the Borrower to comply with the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture. Nevertheless, such a failure must be reported in accordance with the Rule and must be

considered by a broker or dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price and the ability of the Issuer to issue and sell bonds in the future.

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to an approving opinion of McCall, Parkhurst & Horton LLP, Dallas, Texas, as Bond Counsel. Certain legal matters will be passed upon for the Borrower by MRE Capital, LLC, Overland Park, Kansas, and for the Underwriter by Tiber Hudson LLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

ABSENCE OF LITIGATION

The Issuer

At the time of sale and delivery of the Bonds, the Issuer will deliver a certificate to the effect that there is no litigation or proceedings pending or, to the best of its knowledge, threatened seeking to enjoin the issuance, execution, or delivery of the Bonds, or in any way contesting or affecting any authority for the issuance, execution, or delivery of the Bonds, or the validity of the Bonds, or seeking to restrain or enjoin the transactions contemplated by this Official Statement or questioning the validity of said transactions, or contesting the existence or powers of the Issuer with respect to this transaction.

The Borrower

There is no litigation pending or, to the knowledge of the Borrower, threatened seeking to enjoin the Borrower's execution or delivery of the Bond Loan Agreement, the Bond Note, the Land Use Restriction Agreement or any other instrument or agreement to which the Borrower is a party and which is contemplated for use in the transactions contemplated by this Official Statement, or seeking to restrain or enjoin the Borrower's participation in such transactions or contesting the existence or powers of the Borrower with respect to the transactions contemplated by this Official Statement, or which in the aggregate could have a material adverse effect on the financial condition or the operations of the Borrower.

ADDITIONAL INFORMATION

The summaries and explanation of, or references to, the Act, the Indenture and the Bonds included in this Official Statement do not purport to be comprehensive or definitive. Such summaries, references and descriptions are qualified in their entirety by reference to each such document, copies of which are on file with the Trustee.

The information contained in this Official Statement is subject to change without notice and no implication shall be derived therefrom or from the sale of the Bonds that there has been no change in the affairs of the Issuer from the date hereof.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in the Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the owners of any of the Bonds.

This Official Statement has been approved by the Issuer and the Borrower for distribution by the Underwriter to current Bondholders and potential purchasers of the Bonds.

AUSTIN HOUSING FINANCE CORPORATION

By: _____
Rosie Truelove
Treasurer

[Signatures continue on next page]

[Borrower's Signature Page to Official Statement]

LIVE MAKE HOUSING PARTNERS LP,
a Texas limited partnership

By: Tillery Street Housing, LLC,
a Texas limited liability company,
its general partner

By: MRE Capital Investments, LLC,
a Missouri limited liability company,
its manager

By: _____
Jacob Mooney
Manager

By: _____
Daniel Sailler, III
Manager

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

Certain capitalized terms used in this Official Statement are defined below. The following is subject to all the terms and provisions of the Indenture, to which reference is hereby made and copies of which are available from the Issuer or the Trustee.

“Act” means the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended.

“Additional Interest” means, beginning after the Funding Date, as determined by the Servicer, an amount equal to the excess of (i) the amount of interest an Owner (other than an Owner who is a “substantial user” of the Project or a “related person” to a “substantial user,” as defined in Section 147(a) of the Code) would have received during the period of time commencing on the date that the interest on the Bonds becomes subject to federal income taxation to the earlier of the date of the payment of the Bonds or the date on which the Bonds are redeemed pursuant to the Indenture following a Determination of Taxability (excluding from such period any time in which the tax on such interest is uncollectible) at a per annum rate equal to the Taxable Rate, over (ii) the aggregate amount of interest received by an Owner for such period.

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

“AHFC Loan” means, collectively, (a) the construction and permanent loan from the Austin Housing Finance Corporation (in that capacity, “AHFC”) to Borrower in the amount of \$6,320,000*, and (b) the predevelopment loan from AHFC to Borrower in the amount of \$297,000*, which was fully funded before the Closing Date and will remain a construction and permanent source.

“Authorized Denomination” means, during the Cash Collateralized Mode, \$5,000 or any integral multiple of \$5,000 in excess thereof and (2) during the Permanent Mode, \$100,000, or any integral multiple of \$5,000 in excess thereof.

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

“Bond Counsel” means Naman, Howell, Smith & Lee, P.L.L.C., or such replacement which shall be a nationally recognized bond counsel who is under contract to provide such services to the Issuer.

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

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

“Bond Purchase Agreement” means the (1) Initial Bond Purchase Agreement, and (2) the Forward Bond Purchase Agreement.

“Bondholder” or **“Holder of the Bonds”** or **“Holder”** or **“Owner of the Bonds”** or **“Owner”** when used with respect to any Bond, means the person or persons in whose name such Bond is registered as the owner thereof on the books of the Issuer maintained at the Trust Office for that purpose.

* Preliminary; subject to change.

“Bonds” means the Multifamily Housing Revenue Bonds (Live Make Apartments), Series 2023 in the amount of \$9,000,000*, of the Issuer issued, authenticated and delivered under the Indenture.

“Book-Entry Form” or **“Book-Entry System”** means a form or system, as applicable, under which (i) the ownership of beneficial interests in the Bonds may be transferred only through a book entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as holder, with the physical bond certificates “immobilized” in the custody of the Securities Depository.

“Borrower” means Live Make Housing Partners LP, a limited partnership organized and existing under the laws of the State, its successors and assigns.

“Borrower Documents” means the Loan Agreement, the Note, the Tax Certificate, the Tax Regulatory Agreement, the Funding Agreement, the Bond Purchase Agreement, the Construction Loan Documents, the Permanent Loan Documents, the Partnership Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Loan Agreement.

“Borrower Representative” means a person at the time designated and authorized to act on behalf of the Borrower by a written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

“Borrower’s Obligations” means the obligations of the Borrower under the Loan Agreement, the Note, and the other Borrower Documents to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Loan Agreement, the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Loan Agreement, the Note, the Tax Regulatory Agreement, and any of the other Borrower Documents, to perform or observe.

“Business Day” or **“business day”** means a day, other than a Saturday or Sunday, on which (a) banks located in New York, New York, or in the city in which the Trustee or the Underwriter is located, are not required or authorized by law or executive order to close for business, and (b) the New York Stock Exchange is not closed.

“Cash Collateralized Mode” means the period starting on the Closing Date and ending on the Funding Date.

“Cash Flow Projection” means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Underwriter and the Rating Agency, establishing, to the satisfaction of the Underwriter and the Rating Agency, the sufficiency of (a) the amount on deposit in the Project Fund and the Collateral Fund, (b) projected investment income to accrue on amounts on deposit in the Project Fund and Collateral Fund during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay interest and principal on the Bonds and the administrative expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) the optional redemption of the Bonds pursuant to the Indenture, (iii) a proposed remarketing of the Bonds, as provided in the Indenture and (iv) the sale or other disposition of the Trustee of Eligible Investments prior to maturity at a price below par, as described in the Indenture.

“Closing Date” means the date of initial delivery of the Bonds in exchange for the purchase price thereof.

* Preliminary; subject to change.

“Code” means the Internal Revenue Code of 1986, including applicable final, temporary and proposed regulations and revenue rulings applicable to the Bonds.

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

“Collateral Payments” means Eligible Funds to be paid by or on behalf of the Borrower, to the Trustee for deposit into the Collateral Fund pursuant to the Loan Agreement and the Indenture as a prerequisite to the disbursement of money held in the Project Fund.

“Completion Certificate” means a certificate submitted by the Borrower Representative to the Issuer and the Trustee as provided in the Loan Agreement.

“Completion Date” shall mean the date “Substantial Completion” under and for purposes of the Construction Loan Agreement shall have occurred.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of January 1, 2023, between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Construction Deed of Trust” means the Multifamily Construction and Permanent Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing, dated January __, 2023, granted by the Owner with respect to the Project to Kent R. Hance, as trustee under the deed of trust thereunder for the benefit of the Construction Lender, as the same may be amended, modified or supplemented from time to time.

“Construction Draw Date” means the date on which a disbursement from the Project Fund shall be made to pay construction costs of the Project (which shall be the same as a Disbursement Date under and as defined in the Funding Agreement).

“Construction Draw Schedule” means the schedule of the disbursement of the proceeds of the Construction Loan agreed to between Construction Lender and Borrower before Closing Date.

“Construction Lender” means Zions Bancorporation, N.A., dba Amegy Bank, or its successors and assigns.

“Construction Loan” means the taxable construction loan, in the amount of \$8,580,000*, from the Construction Lender to the Borrower pursuant to the Construction Loan Agreement.

“Construction Loan Agreement” means the Credit Support and Funding Agreement dated as of the Closing Date, between the Borrower and the Construction Lender, as the same may be supplemented, amended or modified.

“Construction Loan Documents” means the Construction Deed of Trust, the Construction Loan Agreement, the construction note, and all other documents required by the Construction Lender in connection with or as security for the Construction Loan.

“Construction Loan Repayment Fund” means the fund established pursuant to the Indenture.

“Costs” with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act.

“Costs of Issuance” means all fees, costs and expenses payable or reimbursable directly or indirectly by the Issuer or the Borrower and related to the authorization, issuance and sale of the Bonds.

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

* Preliminary; subject to change.

“Default” means any Default under the Loan Agreement as specified in and defined by the Indenture.

“Designated Office” of the Trustee, the Lender, the Issuer or the Underwriter means, respectively, the office of the Trustee, the Lender, the Issuer or the Underwriter at the respective Notice Address set forth in the Indenture or at such other address as may be specified in writing by the Trustee, the Lender, the Issuer or the Underwriter, as applicable.

“Determination of Taxability” means (a) a final decree or judgment of any Federal court or a final action of the Internal Revenue Service determining that interest paid or payable on any Bond is or was includable in the gross income of a Holder of the Bonds for Federal income tax purposes (other than an Holder who is a “substantial user” or “related person” to a “substantial user” within the meaning of Section 147(a) of the Code); or (b) the enactment of federal legislation that would cause interest on the Bonds to be includable in gross income for federal income tax purposes; provided, that no such decree, judgment, or action under (a) will be considered final for this purpose unless the Borrower has been given written notice and, if it is so desired and is legally allowed, has been afforded the opportunity to contest the same, either directly or in the name of any Holder of a Bond, and until the conclusion of any appellate review, if sought.

“Dissemination Agent” means initially Wilmington Trust, National Association, a national banking association, or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

“Documents” means and shall include (without limitation), with respect to the Bonds, the Indenture, the Loan Agreement, the Note, the Intercreditor Agreement, the Guaranty, the Tax Regulatory Agreement, the Tax Certificate, the Permanent Loan Documents and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may hereafter execute and deliver, to evidence or secure the Issuer’s Obligations or the Borrower’s Obligations, or any part thereof, or in connection therewith, and any and all Supplements thereto, but excluding the Construction Loan Documents.

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

- (a) The proceeds of the Bonds (including any additional amount paid by the Underwriter to the Trustee as the purchase price of the Bonds);
- (b) Money received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan, the Permanent Loan and the AHFC Loan;
- (c) Money received by the Trustee from the Underwriter for deposit to the Negative Arbitrage Account or to the Collateral Fund;
- (d) Remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase or remarketing price by the Underwriter or the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer or any Affiliate of either the Borrower or the Issuer);
- (e) Any other amounts for which, (i) the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (f) The proceeds of draws by the Trustee on any letter of credit provided to the Trustee for the benefit of the Borrower;

(g) Any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and

(h) Investment income derived from the investment of the money described in (a) through (g).

“Eligible Investments” means, subject to the provisions of the Indenture, any of the following investments that mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture):

(a) Governmental Obligations; and

(b) to the extent permitted in the Indenture, shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s Investors Service, Inc. (or if Moody’s Investors Service, Inc. is not the Rating Agency or a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) at the time of purchase and whose investment portfolio consists solely of Government Obligations including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, advisor, administrator, shareholder, servicing agent and/or custodian or subcustodian.

Eligible Investments shall not include the following: (1) any investment with a final maturity or any agreement with a term ending later than the earlier of (i) the current Mandatory Tender Date in effect at the time of investment or (ii) the Maturity Date and (2) any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

“Event of Default” or **“Default”** means any of the events described as an Event of Default in the Indenture or the Loan Agreement.

“Executive Director” means the Executive Director/CEO of the Issuer.

“Exempt Disbursement” means any disbursement of Bond proceeds from the Project Fund for immediate transfer by the Trustee for deposit to the Collateral Fund.

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

“Extension Payment” means the amount due, if any, in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Eligible Funds.

“Forward Bond Purchase Agreement” means the Forward Bond Purchase Agreement dated January ___, 2023, among the Issuer, the Trustee, the Borrower and Permanent Lender.

“Funding” means the funding by the Permanent Lender on the Funding Date as provided for in the Forward Bond Purchase Agreement.

“Funding Agreement” means the Funding Agreement dated as of January 1, 2023, among the Borrower, the Construction Lender and the Trustee.

“Funding Conditions” has the meaning assigned to the term Conditions to Conversion in the Forward Bond Purchase Agreement.

“Funding Date” has the meaning assigned to the term “Conversion Date” in the Forward Bond Purchase Agreement, and shall be the Bonds convert from the Cash Collateralized Mode to the Permanent Mode.

“Funding Deadline” has the meaning assigned to the term “Termination Date” in the Forward Bond Purchase Agreement.

“General Partner” means Tillery Street Housing, LLC, a Texas limited liability company.

“Governmental Authority” means any federal, State or local governmental or quasi-governmental entity, including, without limitation, any agency, department, commission, board, bureau, administration, service, or other instrumentality of any governmental entity.

“Governmental Obligations” means direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury), and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by the United States of America.

“Indenture” means the Trust Indenture, dated as of January 1, 2023, between the Issuer and the Trustee, and any all supplements thereto.

“Independent” means any person not an employee or officer of the Borrower or its affiliates.

“Initial Bond Purchase Agreement” means the Initial Bond Purchase Agreement dated January __, 2023, among the Issuer, the Borrower and the Underwriter.

“Initial Deposit” means Eligible Funds in the amount specified in the Indenture to be deposited in the Negative Arbitrage Account of the Bond Fund on the Closing Date.

“Initial Interest Rate” means ____%.

“Initial Mandatory Tender Date” means _____ 1, 20__*.

“Initial Remarketing Date” means the Initial Mandatory Tender Date, but only if the conditions for remarketing the Bonds on such date as provided in the Indenture are satisfied.

“Intercreditor Agreement” means the Subordination and Intercreditor Agreement, dated on or after the Funding Date, among [the Borrower, the Issuer, the Trustee and the Lender], as amended or supplemented from time to time.

“Interest Payment Date” means (1) during the Cash Collateralized Mode, (a) _____ 1 and _____ 1 of each year beginning _____ 1, 2023*, (b) each Redemption Date, and (c) each Mandatory Tender Date, and (2) during the Permanent Mode commencing on the tenth (10th) day of the second month following the Funding Date and on the tenth (10th) day of each calendar month thereafter up to and including the tenth (10th) day of the month immediately prior to the Permanent Loan Maturity Date, all as further described in the Permanent Loan Agreement.

“Interest Rate” means, as applicable, the Initial Interest Rate (to but not including the Initial Mandatory Tender Date) and the applicable Remarketing Rate and the Permanent Rate.

“Investor Limited Partner” means RSEP Holding, LLC, a Delaware limited liability company.

“Investor Sponsor” means Redstone Equity Partners, and its successors or assigns.

“Issuer” means the Austin Housing Finance Corporation, a housing finance corporation duly organized and existing under the laws of the State, including the Act, and its successors and assigns.

* Preliminary; subject to change.

“Issuer Documents” means the Loan Agreement, the Indenture, the Tax Regulatory Agreement, the Initial Bond Purchase Agreement, the Tax Certificate and any and all documents, agreements or instruments executed by the Issuer in connection with the Loan evidenced by the Loan Agreement.

“Issuer’s Fee” means the annual prorated amount payable November 1 of each year beginning November 1, 2020 to the Issuer for its ordinary monitoring fees and expenses under the Indenture in an amount equal to the greatest of (a) .0003 times the amount of Bonds Outstanding on November 1 of each year, (b) \$12 times the number of units in the Project, and (c) \$1,200 per year; provided that the fee due for years 2023 and 2024 shall be paid on the Closing Date. If the Bonds are redeemed in whole on or before 2037, the Issuer shall be paid fifteen years of such annual fee less any amounts paid as Issuer Fees prior to such redemption.

“Issuer’s Obligations” means the obligations of the Issuer under the Bonds, the Indenture, and the other Documents to (a) pay the principal of and interest on the Bonds (including supplemental interest), when and as the same shall become due and payable (whether at the stated maturity thereof, or by acceleration of maturity or after notice of prepayment or otherwise) and, (b) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Issuer is required, by the Bonds, the Indenture, or any of the other Documents, to perform and observe.

“Lender” means (1) during the Cash Collateralized Mode, the Construction Lender and (2) during the Permanent Mode, the Permanent Lender.

“Loan” means the loan by the Issuer to Borrower in the principal amount of \$9,000,000* made by the Issuer to the Borrower evidenced by the Note, described in the Loan Agreement and made in connection with the issuance of the Bonds.

“Loan Agreement” means the Loan Agreement dated as of January 1, 2023, between the Issuer and the Borrower and any and all Supplements thereto.

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

“Local Time” means Central time (daylight or standard, as applicable) in the State.

“Majority Owner” means, during the Permanent Mode, the Person who owns at least fifty-one percent (51%) in aggregate principal amount of Outstanding Bonds, or, if no single person owns at least fifty-one percent (51%) in aggregate principal amount of Outstanding Bonds, the person who is designated in writing to exercise the powers of “Servicer” and “Majority Owner” hereunder by persons who collectively own at least fifty-one percent (51%) in aggregate principal amount of Outstanding Bonds.

“Mandatory Tender Date” means (a) the earlier of (i) the Initial Mandatory Tender Date, (ii) the Funding Date and (c) if the Bonds Outstanding on such date or on any subsequent Mandatory Tender Date are remarketed pursuant to the Indenture for a Remarketing Period that does not extend to the final maturity of the Bonds, the day after the last day of the Remarketing Period.

“Maturity Date” means _____ 1, 20__*.

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

“Negative Arbitrage Account” means the Negative Arbitrage Account within the Bond Fund created in the Indenture.

* Preliminary; subject to change.

“Note” means the Promissory Note, dated the Closing Date from the Borrower to the Issuer, in substantially the form attached to the Loan Agreement as an exhibit, as amended and restated at Funding in the form attached to the Loan Agreement, and any amendments, Supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee.

“Official Statement” means the Official Statement dated January ___, 2023 relating to the Bonds during the Cash Collateralized Mode.

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

“Outstanding,” “outstanding” or “Bonds Outstanding” when used with respect to the Bonds means any Bonds theretofore authenticated and delivered under the Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or theretofore delivered to the Trustee for cancellation;
- (b) Bonds for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee in accordance with the Indenture; or
- (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture.

“Partnership Agreement” means the agreement among the General Partner and the Investor Limited Partner, dated January ___, 2023.

“Permanent Lender” means Cedar Rapids Bank & Trust, a Missouri corporation, or its successors and assigns.

“Permanent Loan” means the loan from the Permanent Lender to the Borrower pursuant to the Permanent Loan Agreement.

“Permanent Loan Agreement” means the Permanent Loan Agreement, dated as of January 1, 2023, between the Borrower and the Permanent Lender.

“Permanent Loan Documents” has the meaning assigned to such term in the Permanent Loan Agreement.

“Permanent Mode” means the period starting on the Funding Date and ending on the Permanent Loan Maturity Date (as defined in the Permanent Loan Agreement).

“Permanent Rate” means, during the Permanent Mode an interest rate of ____%.

“Permitted Transfers” means any of the following, subject to the laws of the State as then in effect at the time of such Permitted Transfer (all such terms used in this definition and not otherwise defined in this Indenture shall have the meanings as set forth in the Tax Regulatory Agreement):

- (a) a Transfer to which, prior to the Funding Date, the Construction Lender, and on and following the Funding Date, the Permanent Lender has consented;
- (b) prior to the Funding Date, a Transfer which satisfies the following subparagraphs A through C: (A) that is either: (i) by the Limited Partner of all or a portion of its partnership interest in the Borrower directly or indirectly only to another entity which is Controlled by [the Investor Sponsor or] an Affiliate of the Limited Partner, (ii) by a partner or member of the Limited Partner of its partnership or membership interest in the Limited Partner provided that, immediately after the Transfer, the general partner or managing member of the Limited Partner is [the Investor Sponsor or an Affiliate of the Investor Sponsor],

or (iii) the pledge and encumbrance of the interests of the Limited Partner to or for the benefit of any financial institution which enables the Limited Partner to make its capital contributions to the Borrower as well as the taking of such interests by such financial institution and their admission as a partner in the Borrower; (B) the partners or members owning not less than seventy-five percent (75%) of the ownership interest in the Limited Partner are Financial Institutions or Publicly Held Corporations with a rating of BBB- or better by Standard & Poor's or Baa3 or better by Moody's Investor Service, Inc., or wholly owned subsidiaries of such entities or otherwise approved by the Construction Lender in writing, and (C) the Construction Lender has received at least fifteen (15) days advance written notice of the Transfer (which notice shall include the identity of the transferee and its owners) and Construction Lender shall have received any additional information with respect to the Transfer as reasonably requested by the Construction Lender.

(c) after the Funding Date, a Transfer which is permitted under the Permanent Loan Agreement.

(d) provided the Lender has received information with respect to the Transfer in advance thereof, including the identity of the substitute general partner or managing member and any other information reasonably requested by the Lender, the removal of the General Partner for cause as set forth under the Partnership Agreement so long as any substitute general partner or managing member is an Affiliate of the [Investor Sponsor];

(e) a Transfer that occurs by devise, descent or by operation of law upon the death of a natural person;

(f) the grant of leasehold interest in an individual dwelling unit for a term of two years or less not containing an option to purchase;

(g) a Transfer of obsolete or worn out personal property or fixtures that are contemporaneously replaced by items of equal or better function and quality, which are free of liens, encumbrances and security interests other than those created by the Documents otherwise consented to by the Lender;

(h) other than Permitted Encumbrances, the grant of an easement, servitude or restrictive covenant provided that, before the grant, the Lender has determined that the easement, servitude or restrictive covenant will not materially affect the operation or value of the Project or the Lender's interest in the Project and the Borrower pays to the Lender, within ten (10) days of demand, all costs and expenses incurred by the Lender in connection with reviewing the Borrower's request;

(i) the creation of a tax lien or mechanic's lien or judgment lien against the Project which is bonded off, released of record or otherwise remediated to the Lender's satisfaction within sixty (60) days of the date of creation; or

(j) the execution, delivery and recordation of documents required in order to exercise the buyout option by and between the General Partner, or one or more of its affiliates, and the Limited Partner or its Affiliate as set forth in the Partnership Agreement, provided that the same is subject, subordinate and inferior to the liens and security interests of the Documents and that the exercise of any rights thereunder shall be subject to the Documents; and

(k) any Permitted Encumbrances.

"Person" shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, trust, or government or agency or political subdivision or public body thereof.

"Prepayment Fee" means, during the Permanent Mode, as described in the Permanent Loan Agreement.

"Project" means the multifamily rental housing project located in the Austin, Texas known as Live Make Apartments, which, upon completion, will contain approximately sixty-six (66) affordable rental housing units and

which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses.

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

“Rating Agency” means any national rating agency then maintaining a rating on the Bonds, and initially means Moody’s.

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

“Record Date” means the 15th day of the month preceding the date on which interest is due and payable.

“Redemption Date” means any date under the Indenture on which the Bonds are to be redeemed, including (a) the Maturity Date, (b) the date of acceleration of the Bonds, (c) pursuant to the Indenture or (d) as otherwise set forth in the Permanent Loan Agreement.

“Remarketing Agent” means Stifel, Nicolaus & Company, Incorporated or any successor as Remarketing Agent designated in accordance with the Indenture.

“Remarketing Agreement” means the Remarketing Agreement, dated as of January 1, 2023, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

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

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

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

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the Funding Date, as applicable.

“Requisition” means the request on the form attached to the Indenture as an exhibit to make a disbursement from the Project Fund on a Construction Draw Date in the manner provided pursuant to the Indenture.

“Reserved Rights of the Issuer” means the rights of the Issuer consisting of: (a) all rights which the Issuer and its officers, directors, members, officials, agents or employees may have under the Indenture, the Loan Agreement and other Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, directors, officials, agents or employees; (b) the right of the Issuer to give and receive notices, reports or other information, make determinations and grant approvals under the Indenture and the Documents; (c) the right of the Issuer to give and receive its fees and expenses pursuant to the Loan Agreement and the Tax Regulatory Agreement; (d) all rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents or in any other certificate or agreement executed by the Borrower; (e) all rights of the Issuer in connection with any amendment to or modification of the Documents; and (f) all enforcement remedies with respect to the foregoing.

“Resolution” means the resolution of the Issuer adopted on January __, 2023, authorizing, among other things, the execution and delivery by the Issuer of the Issuer Documents and the Bonds and the performance of its obligations thereunder.

“Revenues” means (a) the Loan Payments, (b) the Collateral Payments, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Project Fund and the Collateral Fund, and (e) all income and profit from the investment of the foregoing money. The term “Revenues” does not include any money or investments in the Rebate Fund, amounts paid as fees, reimbursement for expenses or for indemnification of the Issuer and the Trustee, or amounts paid to or collected by the Issuer in connection with any Reserved Rights of the Issuer.

“Securities Depository” means the Depository Trust Company, its successors and assigns, or any other securities depository for the Bonds designated by the Issuer or the Borrower to the Trustee in writing.

“Servicer” means, during the Permanent Mode, the Permanent Lender, or, if the Permanent Lender appoints a separate entity to be the servicer, such servicer. During any other times as no servicer has been appointed pursuant to Section 7.11 hereof, all references herein and in the Loan Documents to the Servicer shall be deemed to refer to the Majority Owner.

“Special Funds” means, collectively, the Bond Fund, the Project Fund and the Collateral Fund, and any accounts therein.

“Special Limited Partner” means Red Stone Equity Manager, LLC, a Delaware limited liability company, and its successors or assigns.

“State” means the State of Texas.

“Supplement” or **“Supplements”** means any and all extensions, renewals, modifications, amendments, supplements and substitutions.

“Tax Certificate” means the Tax Certificate and Agreement dated the Closing Date by and among the Issuer, the Borrower and the Trustee.

“Tax Regulatory Agreement” means the Regulatory and Land Use Restriction Agreement dated as of January 1, 2023, among the Issuer, the Trustee and the Borrower relating to the Bonds, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

“Trustee” or **“Corporate Trustee”** means Wilmington Trust, National Association, a national banking association, organized and existing under the laws of the United States and authorized to conducted business in the State, with a corporate trust office in Dallas, Texas, and its successor or successors in the trust created by the Indenture.

“Trustee’s Ongoing Fee” means (i) the Trustee’s initial fee of \$_____, payable on the Closing Date from moneys in the Costs of Issuance Fund pursuant to the Indenture and (ii) the Trustee’s ongoing fee of \$_____, payable on each January 1, beginning on January 1, 2024, which shall be paid by the Borrower from moneys other than from the Trust Estate.

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

“Trust Office” means the trust office of the Trustee located at the address set forth in the Indenture or such other office designated by the Trustee from time to time, or such other offices as may be specified in writing to the Issuer by the Trustee.

“Undelivered Bond” means any Bond that is required under the Indenture to be delivered to the Remarketing Agent or the Trustee for purchase on a Mandatory Tender Date but that has not been received on the date such Bond is required to be so delivered.

“Underwriter” means Stifel, Nicolaus & Company, Incorporated, or any successor.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a brief summary of certain provisions of the Indenture. The following summary does not purport to be complete or definitive and is subject to all the terms and provisions of the Indenture, to which reference is hereby made and copies of which are available from the Issuer or the Trustee.

Creation of Funds and Accounts

The following trust funds and accounts are created by the Indenture by the Issuer and ordered established with the Trustee to be used for the purposes provided in the Indenture:

- (a) the Bond Fund, consisting of (1) the Negative Arbitrage Account, (2) the Remarketing Proceeds Account and (3) the Revenue Account;
- (b) the Expense Fund;
- (c) the Project Fund, consisting of (1) the Bond Loan Account, (2) the Equity Account and (3) the Construction Loan Account;
- (d) the Costs of Issuance Fund;
- (e) the Rebate Fund;
- (f) the Construction Loan Repayment Fund; and
- (g) the Collateral Fund.

The Trustee may create one or more accounts or subaccounts within any fund authorized by the Indenture for the purpose of accounting for funds deposited into or held in each fund or for carrying out any of the requirements of the Indenture. The Trustee may transfer funds between accounts and subaccounts within any fund.

Deposits into the Bond Fund; Use of Moneys in Bond Fund

On the Closing Date, the Trustee shall deposit the Initial Deposit in the Negative Arbitrage Account of the Bond Fund, to be invested pursuant to the Indenture. Any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to the Indenture shall also be deposited in the Negative Arbitrage Account.

The Trustee shall deposit into the Bond Fund all amounts paid by the Borrower pursuant to the Loan Agreement.

Prior to the Funding Date, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds when due. On any date on which payment of interest on the Bonds is due and payable, after taking into account any amounts on deposit in the Bond Fund, including the Negative Arbitrage Account therein, any available interest earnings in the Collateral Fund and the Project Fund, up to an amount equal to the interest due on the Bonds, shall be transferred on such date to the Bond Fund to make such payment.

Principal on the Bonds, when due and payable, shall be paid (a) in the first instance from the money on deposit in the Bond Fund, (b) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (c) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

Following the Funding Date all moneys transferred to the Bond Fund shall be transferred to the Revenue Account, and shall be applied to the following items in the following order of priority:

1. on each Interest Payment Date, to the payment of regularly scheduled interest on the Bonds;
2. on each Bond Payment Date, to the payment of the principal of or redemption price of, accrued interest on, and any Prepayment Fee or Additional Interest due with respect to, the Bonds;
3. on the first day of each month (or the next Business Day if such first day of the month is not a Business Day), to the payment of any other amounts then due and owing under the Loan Documents; and
4. on the first day of each month (or the next Business Day if such first day of the month is not a Business Day), to the Borrower or such other party as may be legally entitled thereto.

In the event the amount of the monthly payment received by the Trustee from the Borrower is insufficient to fund in full the deposits required in the foregoing clauses (1) through (4), the Trustee shall provide the Servicer, the Borrower and the Issuer with prompt Notice of such deficiency and then, if directed in writing by the Servicer, the Trustee shall transfer moneys on deposit in such funds and accounts between such funds and accounts as directed by the Servicer so as to allow for payment of such items as are directed by the Servicer, provided, however, in all events the first priority of payments shall be payment of the Issuer's Fee, the Trustee's Ongoing Fee and the fees due and payable to the Rebate Analyst and any Rebate Amount due and owing to the United States. References to unpaid expenses payable to the Trustee or the Issuer shall include any amounts payable to such parties pursuant to any indemnification hereunder or under any of the Documents.

Upon the payment in full of the Bonds and the fees and expenses of the Issuer and the Trustee and the payment of amounts payable to the United States pursuant to the Indenture, any amounts remaining in the Revenue Fund (except amounts held for future payment to the United States pursuant to the Indenture) shall be paid to the Borrower.

Construction Loan Repayment Fund

The Trustee shall establish and maintain a separate fund to be known as the "Construction Loan Repayment Fund." On or before the Funding Date, the Borrower shall cause the amount set forth in the Funding Notice to be deposited in the Construction Loan Repayment Fund. On or before the Funding Date the Permanent Lender shall cause the Permanent Loan Amount as set forth in the Funding Notice to be deposited in the Construction Loan Repayment Fund. On the Funding Date, all funds in the Construction Loan Repayment Fund shall be applied by the Trustee towards the repayment of the Construction Loan at the direction of the Construction Lender.

Collateral Fund

The Trustee shall establish and maintain a separate fund to be known as the "Collateral Fund" as set forth below, provided however, that the Trustee will close the Collateral Fund following the Funding Date.

The Trustee shall deposit in the Collateral Fund all Collateral Payments received pursuant to the Loan Agreement, all Exempt Disbursements and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund. Except in the case of an Exempt Disbursement, the Loan Agreement, with respect to each Requisition made on the Project Fund, the Borrower shall cause the Construction Lender, the Limited Partner and AHFC to make Collateral Payments in an aggregate amount equal to the amount to be funded under that Requisition to the Trustee for deposit into the Collateral Fund, which in any event shall be a prerequisite to the disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Qualified Project Costs.

The Trustee shall be required by the Indenture to invest all amounts on deposit in the Special Funds in Eligible Investments. At no time shall the Borrower direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code.

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

The Trustee shall transfer money in the Collateral Fund as follows: (i) on a Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent amounts on deposit in the Remarketing Proceeds Account and the Negative Arbitrage Account of the Bond Fund are insufficient therefor; and (ii) on any Redemption Date, to the Bond Fund the amount, together with amounts on deposit in the Bond Fund, necessary to pay the principal and interest due on the Bonds on such date.

Amounts on deposit in the Collateral Fund in excess of the amount required to pay interest and principal of the Bonds shall be transferred to the Construction Loan Account of the Project Fund held under the Indenture.

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

Procedure for Making Disbursements from Project Fund

Upon the deposit of Collateral Payments in the Collateral Fund, if required and as provided in the Indenture, the Trustee shall disburse the Bond proceeds on deposit in the Project Fund on a Construction Draw Date solely to pay Qualified Project Costs and only upon the receipt by the Trustee of (1) a request or requests therefor, upon requisition forms approved by the Issuer in substantially the form attached to the Indenture, and in accordance with the Funding Agreement, and (2) certification by a Borrower Representative that such costs are qualified costs pursuant to Section 142 of the Code. Each Requisition shall evidence disbursements from (i) the Project Fund and (ii) the Costs of Issuance Fund. Except in the case of an Exempt Disbursement, the Trustee shall not disburse money from the Project Fund, other than to pay interest and principal on the Bonds, unless and until Collateral Payments or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. To the extent money on deposit in the Project Fund is invested in Eligible Investments yet to mature at the time of any such requested and permitted disbursement, the Trustee is authorized under the Indenture to exchange an amount of such Eligible Investments in the Project Fund for a like amount of Collateral Payments on deposit in the Collateral Fund and then disburse such amounts from the Project Fund to pay Qualified Project Costs without the need to sell or terminate such Eligible Investments prior to their stated maturity date. In accordance with the Loan Agreement, and prior to making any disbursement from the Project Fund (except to make necessary interest payments), the Trustee shall determine that the aggregate account balance in (a) the Collateral Fund and (b) the Project Fund (less the requested disbursement amount) is at least equal to the then-Outstanding principal amount of the Bonds.

Money in the Project Fund shall be disbursed in accordance with the provisions of the Loan Agreement and the Indenture. To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to make the necessary interest and principal payments, if any, on each Interest Payment Date without further written direction.

All disbursements from the Project Fund will be made by the Trustee directly to the Borrower by deposit into a designated account of Borrower located at the Construction Lender, provided for in the Construction Loan Agreement, as and when provided for in the Funding Agreement, and shall not be made more frequently than once per month, unless approved by the Construction Lender, in its sole discretion.

The Trustee and the Issuer shall not in any event be responsible or liable to any person (other than the Borrower, but only in the case of the Trustee and only in the event of a failure by the Trustee to make disbursements following request for disbursements in accordance with the Documents, when such failure is within the Trustee's control, and after notice of such failure and a 3-day opportunity to cure such failure) for the disbursement of, or failure to disburse, moneys from the Project Fund, or any part thereof, and no contractor, subcontractor or material or equipment supplier shall have any right or claim against the Trustee or the Issuer under the Indenture.

If for any reason the Trustee is not able to disburse a corresponding amount of Bond proceeds immediately following receipt of funds from the entity making such collateral deposit into the Collateral Fund, the Trustee shall promptly transfer such funds back to the Lender and not deposit the same into the Collateral Fund.

Investment of Bond Fund, Project Fund, and Collateral Fund

Money in all funds or accounts including the Bond Fund, Project Fund, and Collateral Fund shall be invested and reinvested by the Trustee, and at all times held in Eligible Investments at the written direction of the Borrower as approved by the Issuer. In the absence of written direction of the Borrower, any moneys held under the Indenture shall be invested in (i) the [First American Government Obligations Fund], or if such fund is unavailable, (ii) investments described in paragraph (b) of the definition of Eligible Investments.

At no time shall the Borrower direct that (a) any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code or (b) any funds be held other than in Eligible Investments.

Investments of money in the Bond Fund, Project Fund, and the Collateral Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide money to pay any amounts due on the Bonds as they become due on each Interest Payment Date or at stated maturity or on a Mandatory Tender Date. In addition, investment of money in the Project Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts as may be necessary to make anticipated payments from the Project Fund. Any investment in the Bond Fund, the Project Fund or the Collateral Fund that are not classified as Eligible Investments shall be invested in Governmental Obligations.

The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable under the Indenture to and at times required for the purposes of paying any amounts due on the Bonds, and shall do so without necessity for any order on behalf of the Issuer or the Borrower and without restriction by reason of any order. An investment made from money credited to an applicable fund or account shall constitute part of that respective fund or account. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. Notwithstanding anything in the Indenture to the contrary, earnings received by the Trustee with respect to Governmental Obligations purchased for the purpose of paying Bond Service Charges shall be held uninvested.

Any investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association which is an affiliate or subsidiary of the Trustee; provided that all such investments must be Eligible Investments.

The Trustee shall not be liable for losses on investments made in compliance with the provisions of the Indenture.

If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity at a price below par in connection with a mandatory tender prior to the Initial Mandatory Tender Date, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any.

Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Issuer and the Borrower agrees that confirmations of Eligible Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Trustee may conclusively rely upon the Borrower's and Issuer's written instructions as to both the suitability and legality of the directed investments.

Discharge of Lien

If and when the Bonds secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon request of the Issuer and subject to the provisions of the Indenture, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Bond Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Borrower all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Issuer.

If and when the Trustee shall hold sufficient moneys under the Indenture, as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations, to provide for payment of the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all the Bonds, together with all other amounts (exclusive of amounts in the Rebate Fund) payable or which may thereafter become payable under the Indenture by the Issuer, notwithstanding that all the Bonds have not yet become due and payable and that consequently the right, title and interest of the Trustee in and to the Trust Estate shall not have ceased, terminated and become void pursuant to the foregoing provisions of this section, the Trustee, on demand of the Issuer but subject to the provisions of the Indenture, shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, or to such person, body or authority as may be entitled to receive the same, any surplus in the Bond Fund in excess of the amount sufficient to pay the whole amount of the principal and interest due and payable and thereafter to become due and payable upon all Bonds together with all other amounts payable or which may thereafter become payable under the Indenture by the Issuer.

All Outstanding Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) there shall have been deposited with the Trustee (as verified to the Trustee in writing by an Independent public accounting firm of national reputation or other firm similarly experienced in performing such computations either (i) moneys in an amount which shall be sufficient, or (ii) Governmental Obligations which are not subject to redemption prior to maturity, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal and interest due and to become due on such Bonds on the maturity date thereof, and (b) the Issuer shall have given the Trustee, in form satisfactory to it irrevocable instructions to give, as soon as practicable, a notice to the Holders of such Bonds and the Rating Agency that the deposit required by (a) above has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this heading and stating such date upon which moneys are to be available for the payment of the principal and interest on such Bonds.

Neither the securities nor moneys deposited with the Trustee pursuant to this heading nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and interest, on such Bonds; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Governmental Obligations (including any short term investment fund rated "Aaa" or "P-1" by the Rating Agency and secured by and investing solely in Governmental Obligations) maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Bonds on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Borrower, as received by the Trustee, free and clear of any trust, lien or pledge.

The release of the obligations of the Issuer under this section shall be without prejudice to the right of the Trustee provided in the Indenture to be paid reasonable compensation for all services rendered by it under the Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the Issuer of the trust created by the Indenture and the performance of its powers

and duties under the Indenture, and shall not affect the obligations of the Borrower to make the payments required by the Loan Agreement or the Note.

Events of Default and Acceleration

The occurrence of any of the following events is defined as and declared to be and to constitute an “Event of Default” under the Indenture:

- (a) During the Cash Collateralized Mode, the failure to pay any installment of interest on any Bond payable under the Indenture on the day such payment is due; or
- (b) During the Permanent Mode, the failure to pay any installment of principal and interest as provided in the Permanent Loan Agreement; or
- (c) the principal of any Bond shall not be paid or the redemption price of any Bond on the date on which the same shall become due and payable, whether at stated maturity thereof, by call for redemption, acceleration or otherwise; or
- (d) an Event of Default occurs under the Loan Agreement; or
- (e) the Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as specified in (a), (b) or (c) of this section) contained in the Bonds or in the Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of 90 days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer and the Borrower by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within 90 days, it shall not be an Event of Default if the Issuer or the Borrower is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

If any Loan payment required under the Loan Agreement to avoid a default under (a) or (b) of this section shall not have been received at the close of business on the last business day preceding the day on which payment must be made to avoid a default under (a) or (b) above, the Trustee shall use commercially reasonable efforts to give telephonic notice of such default to the Borrower, which telephonic notice shall be confirmed by telegraphic or written notice to the Borrower. If any other default shall occur under the provisions of this section, the Trustee shall, within five days after having actual knowledge of such default, use its best efforts to give written notice of such default to the Issuer, the Borrower and the Holders of the Bonds. A default or an Event of Default specified in (a) through (e) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Bondholders and not in limitation of such rights.

If an Event of Default specified in (a), (b) or (c) of this section shall occur and be continuing, the Trustee, may, and upon written request of the Majority Owner, declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

If an Event of Default specified in (d) or (e) of this section shall occur and be continuing, the Trustee, upon written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

Remedies in Addition to Acceleration

Upon the happening of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Majority Owner and receipt of satisfactory indemnity shall (in addition to its right or duty to accelerate as provided in the Indenture):

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents;
- (b) bring suit upon the Bonds; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

Termination of Proceedings

In case any proceeding taken by the Trustee on account of any default or Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case, the Issuer, the Trustee, the Bondholders, and the Borrower shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Right of Bondholders to Direct Proceedings

Prior to Funding, no Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Indenture, or any other remedy under the Indenture or on the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Indenture and unless also the Holders of not less than 51% in principal amount of the Bonds then outstanding shall have made written request of the Trustee to do so, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Indenture, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Indenture or for any other remedy under the Indenture; it being understood and intended that no one or more Holders of the Bonds secured by the Indenture shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Indenture or the Bonds, except in the manner provided in the Indenture and for the equal benefit of all Holders of Outstanding Bonds. For purposes of the foregoing sentence, the Trustee shall be deemed to have failed to act within a reasonable time if it fails to take action within 60 days after receipt of notice and compliance with the foregoing terms and conditions, whereupon, the Holders of 51% aggregate principal amount of the Bonds may take such action in the place of the Trustee. Nothing the Indenture contained shall, however, affect or impair the right of any Holder of Bonds to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest, on each of the Bonds issued under the Indenture to the respective Holders of the Bonds at the time, place, from the source and in the manner in the Indenture and in such Bonds expressed.

Remedies Vested in Trustee

All rights of action under the Indenture or under any of the Bonds secured by the Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of the Indenture.

Application of Moneys

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees, expenses and advances incurred or made by the Trustee and the Issuer with respect thereto, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund during the continuance of an Event of Default (other than moneys for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default, which moneys shall continue to be held for such payments) shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all such moneys shall be applied:

First — To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, in the direct order of the maturity of the installments of such interest and, if the amounts available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege;

Second — To the payment to the persons entitled thereto of the unpaid principal, on any of the Bonds, which shall have become due (other than Bonds which have matured or otherwise become payable prior to such Event of Default and moneys for the payment of which are held in the Bond Fund or otherwise held by the Trustee), with interest on such principal from the respective dates upon which the same became due and, if the amount available shall not be sufficient to pay in full the amount of principal, and the interest due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege;

Third — To the payment to the persons entitled thereto of all other of the Issuer's Obligations and the Borrower's Obligations, and, if the amount available shall not be sufficient to pay such Obligations in full, then to the payment ratably, according to the amounts then due, to the persons entitled thereto without discrimination or privilege; and

Fourth — The remainder, if any, shall be paid over to the Borrower, its successors or assigns, or whomever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal of and interest and premium then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest to the persons entitled thereto without any discrimination or privilege. Any remaining funds shall be applied in accordance with the paragraphs designated "Third" and "Fourth" of subsection (a) above.

Whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts or principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Amendments to Indenture and Loan Agreement Not Requiring Consent of Bondholders

The Issuer and the Trustee may, from time to time prior to the Funding Date, without the consent of Bondholders, enter into agreements supplemental to the Indenture and the Loan Agreement as follows:

- (i) to specify and determine any matters and things relative to Bonds which shall not materially adversely affect the interest of the Bondholders;
- (ii) to cure any formal defect, omission or ambiguity in the Indenture or the Loan Agreement if such action does not materially adversely affect the rights of the Bondholders;
- (iii) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect;
- (iv) to add to the covenants and agreements of the Issuer in the Indenture or the Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Loan Agreement as theretofore in effect;
- (v) to add to the limitations and restrictions in the Indenture or the Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Loan Agreement as theretofore in effect;
- (vi) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, the Indenture, of the Revenues or of any other moneys, securities or funds; or
- (vii) to modify, amend or supplement the Indenture or the Loan Agreement in any respect which, in the judgment of the Trustee, is not materially adverse to the interests of the owners of the Bonds.

Before the Issuer shall enter into any agreement supplemental to the Indenture pursuant to this section, there shall have been filed with the Trustee an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms. The opinion of Bond Counsel filed with the Trustee shall also state that the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Trustee and the Issuer shall be entitled to rely upon any such opinion of Bond Counsel.

The Trustee shall send written notice to the Borrower and the Rating Agency of any amendment to the Indenture or the Loan Agreement.

Notwithstanding the foregoing, on or after Funding there shall be no amendments of any kind to this Indenture without the written consent of the Majority Owner. Further prior to the Funding Date, no amendment shall be made to the Indenture or to the Loan Agreement with respect to the process for funding and approving a Requisition made on the Bonds without the prior written consent of the Construction Lender (and such amendment made without such consent of the Construction Lender, shall not be effective).

Amendments to Indenture Requiring Consent of Bondholders

Subject to the terms and provisions contained in this section and not otherwise, prior to the Funding Date, the Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding, and following the Funding Date, the Servicer at the written direction the Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding, shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding

any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by, prior to the Funding Date, the Holders of all of the Bonds then Outstanding, and following the Funding Date, the Servicer at the written direction of the Holders of all the Bonds then Outstanding, nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action or consent by Bondholders set forth in the Indenture, including (without limitation) that required for consent to such supplemental indentures. This section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to the Indenture without the consent of the Bondholders pursuant to the Indenture.

If at any time the Issuer and the Trustee shall determine to enter into any supplemental indenture for any of the purposes of this section, the Trustee shall cause written notice of the proposed supplemental indenture to be given to the Servicer (if any) and all Holders of the Bonds; provided, however, that failure to give such notice or any defect therein, shall not affect the validity of any proceedings pursuant to the Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that a copy thereof is on file at the Trust Office for inspection by all Bondholders.

Within 120 days after the date of giving such notice, the Issuer and the Trustee may enter into such supplemental indenture in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding (or 100% if required under the Indenture) and (ii) an opinion of counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not affect the exemption from federal income taxes of the interest on the Bonds.

If the Holders of not less than the percentage of Bonds required by this section shall have consented to and approved the supplemental indenture as provided in the Indenture, no Holder of any Bond shall have any right to object to such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety thereof, or to enjoin or restrain the Issuer or the Trustee from entering into the same or from taking any action pursuant to the provisions thereof.

Upon the effectiveness of any supplemental indenture entered into pursuant to the provisions of this section, the Indenture shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Issuer, the Trustee and all Holders of Bonds then outstanding shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modifications and amendments.

The Trustee shall send written notice to the Rating Agency of any amendment to the Indenture.

Supplemental Indentures Part of Indenture

Any supplemental indenture entered into in accordance with the provisions of the Indenture shall thereafter form a part of the Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and shall be deemed to be a part of the terms and conditions of the Indenture for any and all such purposes.

Amendments to Documents Requiring Consent of Bondholders

Except as provided in the Indenture, the Issuer and the Trustee shall not consent to any amendment, change or modification of the Documents without the giving of notice and the written approval or consent of the Holders of the Bonds at the time Outstanding given and procured as provided in the Indenture; provided, however, no such separate approval or consent shall be required in connection with the issuance of refunding bonds if any required

consent of the required number of Holders to the issuance thereof shall have been previously obtained. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by the Indenture with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Trust Office of the Trustee for inspection by all Bondholders

Severability

In case any one or more of the provisions of the Indenture or of the Bonds for any reason, is held to be illegal or invalid such illegality or invalidity shall not affect any other provisions of the Indenture or the Bonds, and the Indenture and the Bonds shall be construed and enforced to the end that the transactions contemplated by the Indenture be effected and the obligations contemplated by the Indenture be enforced as if such illegal or invalid provisions had not been contained therein.

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

Agreement to Issue, Sell and Deliver the Bonds; Deposit of Bond Proceeds

In order to provide funds for the payment of the Qualified Project Costs, the Issuer, concurrently with the execution of the Loan Agreement, will issue, sell, and deliver the Bonds and deposit the proceeds thereof with the Trustee, which amounts shall be immediately deposited into the Project Fund.

Disbursements from the Project Fund

In the Indenture, the Issuer has authorized and directed the Trustee to make disbursements from the Project Fund to pay Qualified Project Costs upon satisfaction of the requirements of the Indenture (which in any event will require corresponding deposits into the Collateral Fund as and when as provided for in the Indenture and the Construction Loan Agreement). The Trustee is directed in the Indenture to make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Intercreditor Agreement, and the Construction Draw Schedule attached to the Indenture, and the corresponding deposit into the Collateral Fund as and when provided for in the Funding Agreement.

The Borrower's right to request disbursements from the Project Fund is limited to the principal amount of the Loan and, except in the case of an Exempt Disbursement, conditioned upon the deposit of Collateral Payments to the Collateral Fund as set forth in the Indenture.

Establishment of Completion Date

The Borrower Representative shall evidence completion of the Project by providing the Affidavit of Completion under and as provided for in the Construction Loan Agreement, which shall reflect the date of completion of the Project; and such date shall be prima facie evidence of the and the actual date of Completion. The foregoing shall not limit the requirements of the Construction Loan Agreement with respect to the release of the final advance of the Construction Loan for retainage, and the requirements of the Funding Conditions to the Funding.

If at least ninety-five percent (95%) of the proceeds of the Bonds have not been used to pay Qualified Project Costs, any amount (exclusive of amounts retained by the Trustee in the Project Fund for payment of Qualified Project Costs not then due and payable) remaining in the Project Fund shall be transferred by the Trustee into the Bond Fund and used by the Trustee (i) to pay the principal of and interest on the Bonds or (ii) for any other purpose provided that the Trustee is furnished with an opinion of Bond Counsel to the effect that such use is lawful under the Act and will not cause interest on the Bonds to be included in gross income for federal income tax purposes. Until used for one or more of the foregoing purposes, such segregated amount may be invested as permitted by the Indenture provided that prior to any such investment the Trustee is provided with an opinion of Bond Counsel to the effect that such investment will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

Borrower Required to Pay in Event Project Fund Insufficient

In the event the moneys in the Project Fund are not sufficient to pay the Qualified Project Costs in full, the Borrower agrees to complete the Project and to pay that portion of the Qualified Project Costs in excess of the moneys available therefore in the Project Fund as and when provided for in the Construction Loan Agreement. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Qualified Project Costs will be sufficient to pay all of the Qualified Project Costs. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Qualified

Project Costs pursuant to the provisions of this section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Bonds, nor shall the Borrower be entitled to any diminution of the amounts payable under the Loan Agreement.

Optional Prepayment

The Note may be prepaid by the Borrower in whole or in part during the Cash Collateralized Mode on an Optional Redemption Date without penalty and during the Permanent Mode pursuant to the Permanent Loan Agreement. In order to prepay the Note, the Borrower shall give the Trustee written notice at least thirty (30) days prior to the prepayment date (or such shorter period as may be acceptable to the Trustee) to effect an optional redemption of the Bonds pursuant to the Indenture.

Borrower's Obligations Upon Tender of Bonds

If any tendered Bond is not remarketed on any Mandatory Tender Date and a sufficient amount is not available in the Special Funds for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee by the applicable times provided in the Indenture, an amount equal to the amount by which the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to the Indenture.

Option to Terminate

The Borrower shall have the option to cancel or terminate the Loan Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee to meet all Loan Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed. Such option shall be exercised by the Borrower, giving the Issuer and the Trustee five (5) days' notice in writing of such cancellation or termination and such cancellation or termination shall become effective at the end of such notice period. The provisions of this section shall not be deemed to permit a prepayment of the Note other than in accordance with its terms.

Defaults Defined

The following shall be "Defaults" under the Loan Agreement and the term "Default" shall mean, whenever it is used in the Loan Agreement, the occurrence of any one or more of the following events and continuation thereof beyond all applicable grace or cure periods:

(a) Failure by the Borrower to pay any amount required to be paid under the Loan Agreement when the same are due and payable.

(b) Failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Loan Agreement other than as referred to in subsection (a) of this section or failure by the Borrower to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Tax Certificate, for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, will have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure covered by this subsection (b), no event of default will be deemed to have occurred so long as a course of action adequate to remedy such failure will have been commenced within such 60 day period and will thereafter be diligently prosecuted to completion and the failure will be remedied thereby.

(c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for 60 days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Project, or assignment by the Borrower for the benefit of

creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.

(d) The occurrence of a Default under the Indenture or, if after the Funding Date, any Permanent Loan Document.

The provisions of subsection (b) of this section are subject to the following limitation: if by reason of Force Majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained in the Loan Agreement (other than its obligations relating to the Loan as set forth in the Loan Agreement), the Borrower shall not be deemed in Default during the continuance of such inability. Such Force Majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement. The settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Remedies on Default

Whenever any Default referred to under the section “Defaults Defined” above shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, as the assignee of the Issuer’s rights under the Loan Agreement, in its sole discretion may take (but only with the approval of the Servicer and after Notice to the Issuer), and upon written direction of the Servicer and Notice to the Issuer shall take, or the Issuer (in the event the Trustee fails to act) may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the Bonds immediately due and payable pursuant to the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Loan Agreement, the Note, the Tax Regulatory Agreement or any other Document in the event of default thereunder (including without limitation foreclosure of the Deed of Trust). Notwithstanding the foregoing, prior to the Funding Date, the exclusive remedy of the Issuer shall be to use proceeds in the Collateral Fund to pay the Loan (if and to the extent permitted by the Indenture).

Any amounts collected pursuant to action taken under this section (including amounts in the Collateral Fund) shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

No Remedy Exclusive

Subject to the Indenture and the Loan Agreement, no remedy in the Loan Agreement conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Loan Agreement or now or hereafter existing at law, in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair that right or power nor shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in the Loan Agreement, it shall not be necessary to give any notice, other than such notice as may be required by the Loan Agreement and the Indenture. Such rights and remedies as are given the Issuer under the Loan Agreement shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Reserved Rights of the Issuer, shall be entitled to the benefit of all covenants and agreements contained in the Loan Agreement.

No Additional Waiver Implied by One Waiver

In the event any agreement contained in the Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Loan Agreement.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT

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

The Issuer, the Trustee and the Borrower will enter into a Regulatory and Land Use Restriction Agreement (the “Tax Regulatory Agreement”) in order to set forth certain terms and conditions relating to the acquisition and operation of the Project. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture and the Tax Regulatory Agreement.

Acquisition, Construction and Equipping of the Project

The Borrower represents, as of the date of the Tax Regulatory Agreement, covenants and agrees as follows:

(a) The Borrower has incurred, or will incur within six months after the Bond Closing Date, a substantial binding obligation to commence the construction of Project Facilities, pursuant to which the Borrower is or will be obligated to expend at least 5% of the Sale Proceeds of the Bonds.

(b) The Borrower’s reasonable expectations respecting the total cost of the acquisition, construction and equipping of the Project are accurately set forth in the Tax Certificate and any attachments thereto.

(c) The Borrower has commenced or will commence the acquisition, construction and equipping of each of the Projects and will proceed with due diligence to complete the same.

(d) The Borrower reasonably expects to expend not less than 85% of the Sale Proceeds of the Bonds for Project Costs prior to the date that is three years after the Bond Closing Date.

(e) The statements made in the various certificates delivered by the Borrower to the Issuer, Bond Counsel and/or the Trustee are true and correct in all material respects.

(f) The Borrower will submit, or cause to be submitted, to the Trustee, on or before the date of each disbursement of Proceeds of the Bonds from the Project Fund, if any, held by the Trustee under the Indenture, a requisition in substantially the form required by the reimbursement documents, duly executed by a Borrower Representative and certifying that the full amount of such disbursement will be applied to pay or to reimburse the Borrower for the payment of Project Costs and that, after taking into account the proposed disbursement, the aggregate disbursements from the Project Fund will have been applied to pay or to reimburse the Borrower for the payment of Qualified Project Costs in an amount equal to 95% or more of the aggregate disbursements from such fund.

(g) The Borrower (and any Affiliated Party) will not take or omit to take, as is applicable, any action if such action or omission would in any way cause the Proceeds of the Bonds to be applied in a manner contrary to the requirements of the Indenture, the Loan Agreement or the Tax Regulatory Agreement. The Borrower acknowledges that such requirements have been designed for the purpose of ensuring compliance with the provisions of the Act or the Code applicable to the Borrower and the Project.

Tax-Exempt Status of the Bonds

The Borrower shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Bonds from the gross income (as defined in section 61 of the Code) of the holders of the Bonds for federal income tax purposes. With the intent not to limit the generality of

the foregoing, the Borrower covenants and agrees that prior to the final maturity of the Bonds, unless it has received and filed with the Issuer and the Trustee an Opinion of Bond Counsel to the effect that failure to comply with any such covenant or agreement, in whole or in part, will not adversely affect the exclusion from gross income for federal income tax purposes of interest paid or payable on the Bonds:

(a) The Borrower's use of the Net Proceeds of the Bonds shall at all times satisfy the following requirements:

(i) At least 95% of the Net Proceeds of the Bonds shall be used to pay Qualified Project Costs that are costs of a "qualified residential rental project" (within the meaning of sections 142(a)(7), 142(d) and 145(d) of the Code and section 1.103-8(b)(4) of the Regulations) and property that is "functionally related and subordinate" thereto (within the meaning of Sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) of the Regulations), all of which costs shall be properly chargeable to the Project's capital account or would be so chargeable either with a proper election by the Borrower or but for a proper election by the Borrower to deduct such amounts.

(ii) Less than 25% of the Net Proceeds of the Bonds actually expended will be used, directly or indirectly, for the acquisition of land or an interest therein. Notwithstanding the immediately preceding sentence no portion of the Net Proceeds of the Bonds will be used, directly or indirectly, for the acquisition of land or an interest therein to be used for farming purposes.

(iii) No portion of the Net Proceeds of the Bonds will be used for the acquisition of any existing property or an interest therein unless (i) the first use of such property is pursuant to such acquisition or (ii) the rehabilitation expenditures with respect to any building and the equipment therefor equal or exceed 15% of the cost of acquiring such building financed with the proceeds of the Bonds (with respect to structures other than buildings, this clause shall be applied by substituting 100% for 15%). For purposes of the preceding sentence, the term "rehabilitation expenditures" shall have the meaning set forth in section 147(d)(3) of the Code.

(iv) The Borrower covenants and agrees that the Costs of Issuance financed with the proceeds of the Bonds shall not exceed 2% of the Sale Proceeds.

(v) The Borrower shall not use or permit the use of any Net Proceeds of the Bonds or any income from the investment thereof to provide any airplane, skybox, or other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(b) The Borrower shall not take any action or omit to take any action with respect to the Gross Proceeds of the Bonds which, if taken or omitted, respectively, would cause any Bonds to be classified as an "arbitrage bond" within the meaning of section 148 of the Code.

(c) Except as provided in the Indenture and the Loan Agreement, the Borrower shall not pledge or otherwise encumber, or permit the pledge or encumbrance of, any money, investment, or investment property as security for payment of any amounts due under the Loan Agreement relating to the Bonds, shall not establish any segregated reserve or similar fund for such purpose and shall not prepay any such amounts in advance of the redemption date of an equal principal amount of the Bonds, unless prior to taking any action described in this subsection (c), the Borrower has obtained and delivered to the Trustee an Opinion of Bond Counsel.

(d) The Borrower shall not, at any time prior to the final maturity of the Bonds, direct or permit the Trustee to invest Gross Proceeds of the Bonds in any Investment (or to use Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments acquired with Gross Proceeds (or with money replaced thereby) on or prior to the date of such investment exceeds the Yield of the Bonds to Stated Maturity, except as permitted by section 148 of the Code or as provided in the Tax Certificate.

(e) Except to the extent permitted by section 149(b) of the Code, neither the Issuer nor the Borrower shall take or omit to take any action which would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code.

(f) (i) Unless the Borrower delivers to the Issuer, the Trustee and the Bondholder Representative a Favorable Opinion of Bond Counsel that the Borrower does not need to comply with this paragraph (f), the Borrower shall cause to be delivered, to the Trustee, within 25 days after each Computation Date:

(A) a statement of the Rebate Amount, if any, as of such Computation Date;
and

(B) (1) if such Computation Date is an Installment Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to at least 90% of the Rebate Amount as of such Installment Computation Date, less any “previous rebate payments” made to the United States (as that term is used in the Regulations), or (2) if such Computation Date is the Final Computation Date, an amount that, together with any amount then held for the credit of the Rebate Fund, is equal to the Rebate Amount as of such Final Computation Date, less any “previous rebate payments” made to the United States (as that term is used in the Regulations); and

(C) if a Rebate amount is due, an Internal Revenue Service Form 8038-T properly signed and completed as of such Computation Date.

The foregoing notwithstanding, the Borrower shall not be required to deliver the foregoing to the Trustee if the Borrower certifies that the Bonds are excepted from the requirements of section 148(f) of the Code.

(ii) If the Borrower shall discover or be notified as of any date:

(A) that any amount required to be paid to the United States pursuant to this subsection (f)(ii) and the Indenture has not been paid as required; or

(B) that any payment paid to the United States pursuant to this section and the Indenture shall have failed to satisfy any requirement of the Regulations (whether or not such failure shall be due to any default by the Borrower or the Trustee),

the Borrower shall

(A) deliver to the Trustee (for deposit to the Rebate Fund) and cause the Trustee to pay to the United States from the Rebate Fund (I) the Rebate Amount that the Borrower failed to pay, plus any interest, specified in the Regulations, if such correction payment is delivered to and received by the Trustee within 175 days after such discovery or notice, or (II) if such correction payment is not delivered to and received by the Trustee within 175 days after such discovery or notice, the amount determined in accordance with clause (I) of this subparagraph (X) plus the 50% penalty required by the Regulations; and

(B) deliver to the Trustee an Internal Revenue Service Form 8038-T properly signed and completed as of such date.

(iii) The Borrower shall retain all of its accounting records relating to the funds established under the Indenture and all calculations made in preparing the statements described in this subsection (f) for at least six years after the date the last Bond is discharged.

(iv) The Borrower agrees to pay all of the reasonable and actual fees and out-of-pocket expenses of the Rebate Analyst, charged at rates substantially similar to the rate by such party for work of this type which may be Bond Counsel, a certified public accountant and any other necessary consultant employed by the Borrower in connection with computing the Rebate Amount.

(g) The Borrower covenants and agrees that not more than 50% of the Proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code, and the Borrower reasonably expects that at least 85% of the spendable Proceeds of the Bonds will be used to carry out the governmental purposes of such issue of Bonds within the three-year period beginning on the Closing Date.

(h) The Borrower covenants and agrees that Project will be operated as a “qualified residential rental project” within the meaning of sections 142(a)(7), 142(d), 145(d) of the Code and section 1.103-8(b)(4) of the Regulations, on a continuous basis during the longer of the Qualified Project Period or the period during which any Bonds remain outstanding, to the end that the interest on the Bonds shall be excluded from gross income for federal income tax purposes. In particular, the Borrower covenants and agrees, and will cause the general partner of the Borrower to covenant and agree for the longer of the Qualified Project Period or the period during which any Bonds remain outstanding, as follows:

(i) The Project Facilities qualify as residential rental property and will be owned, managed and operated at all times during the term specified above as a qualified residential rental project comprised of residential dwelling units and facilities functionally related and subordinate thereto, in accordance with section 142(d) of the Code;

(ii) The Project Facilities will consist of one building or structure or several proximate and interrelated buildings or structures, each of which will be a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and a roof, and all of which (A) will be located on a single tract of land or two or more parcels of land that are contiguous (i.e., their boundaries meet at one or more points) except for the interposition of a road, street, stream or similar property, (B) are owned by the same Person for Federal tax purposes, and (C) were financed pursuant to a common plan;

(iii) Substantially all of the Project will consist of similarly constructed Units together with functionally related and subordinate facilities for use by Project tenants, such as swimming pools, other recreational facilities, parking areas, heating and cooling equipment, trash disposal equipment, units for resident managers, security personnel or maintenance personnel and other facilities that are reasonably required for the Project;

(iv) Each Unit in the Project will contain complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which will be separate and distinct from other Units;

(v) Each Unit in the Project will be rented or available for rental on a continuous basis to members of the general public at all times during the term specified above (unless occupied by or reserved for a resident manager, security personnel or maintenance personnel);

(vi) The Borrower will operate and lease the Project in a manner that is consistent with housing policy governing nondiscrimination, as evidenced by rules or regulations of the Department of Housing and Urban Development (HUD), which generally provide that no discrimination can be made on the basis of race, color, religion, sex, national origin, age, familial status, disability and handicap (see HUD handbook 4350.03, or its successor);

(vii) At no time during the term specified above will any Unit in any building or structure in the Project which contains fewer than five Units be occupied by the Borrower;

(viii) At no time during the term specified above will any of the Units in the Project be utilized on a transient basis by being leased or rented for a period of less than 30 days or by being used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park or trailer court; and

(ix) The land and the facilities will be functionally related and subordinate to the Units comprising the Project and will be of size and character which is commensurate with the size and number of such Units; and

(i) The Borrower represents, covenants and agrees, continuously during the Qualified Project Period, as follows:

(i) Forty percent (40%) of the Units (except for manager, security personnel and maintenance units that are reasonably required for the Project) (the "Set Aside") within the Project (and any other building which is comprised of similarly constructed Units, will be owned by the Borrower for federal income tax purposes, will be located on the same or contiguous tract that is not separated from the Project except by a road, street, stream, or similar property, and is financed by the Bonds) that are available for occupancy, including expiration or lawful termination of an existing lease, shall be occupied or held vacant and available for occupancy at all times by Low-Income Tenants. For the purposes of this subparagraph (i), a vacant Unit which was most recently occupied by a Low-Income Tenant is treated as rented and occupied by a Low-Income Tenant until reoccupied, at which time the character of such Unit shall be redetermined.

(ii) The Borrower shall maintain complete and accurate records pertaining to Low-Income Tenants and file all documents as required by section 142(d) of the Code and the Tax Regulatory Agreement, including Tenant Income Certifications attached as an exhibit to the Tax Regulatory Agreement.

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

The parties to the Tax Regulatory Agreement recognize that the requirements stated in subsection (h) above and this subsection (i) shall continue in effect until the termination of the Qualified Project Period.

(j) The Borrower further covenants and agrees to prepare and submit to the Trustee, no more than 60 days prior to the last day of the Qualified Project Period a certificate setting forth the date on which the Qualified Project Period will end, which certificate shall be in recordable form. The Issuer need not affirmatively consent to the termination of the covenants.

(k) Anything in the Tax Regulatory Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties thereto that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Borrower in order to establish the existence of any fact or statement of affairs solely within the knowledge of the Borrower, and which is required to be noticed, represented or certified by the Borrower thereunder or in connection with any filings, representations or certifications required to be made by the Borrower in connection with the issuance and delivery of the Bonds.

(l) The Borrower shall provide to the Trustee, a certificate certifying (i) within 90 days thereof, the date on which 10% of the Units in the Project are occupied; and (ii) within 90 days thereof, the date on which 50% of the Units in the Project are occupied.

Residential Development

The Issuer and the Borrower recognize and declare their understanding and intent that the Project is to be owned, managed and operated as a “residential development,” as such term is defined in Section 394.003(13) of the Act, and in compliance with applicable restrictions and limitations as provided in the Act and the rules of the Issuer, until the expiration of the Qualified Project Period or for as long as any portion of the Bonds remains outstanding and unpaid, whichever is longer.

(a) The Borrower represents, as of the date of the Tax Regulatory Agreement, and covenants and agrees for the term of the Tax Regulatory Agreement that at least 90% of the Units shall be rented to Eligible Tenants and that the Borrower shall not rent or lease any Unit to a person not an Eligible Tenant if such rental would cause less than 90% of the Units to be rented to Eligible Tenants.

(b) The Borrower represents, covenants and agrees as follows:

(i) To assure that 40% of the occupied Units at the Project are occupied at all times by Low Income Tenants;

(ii) To obtain a Tenant Income Certification from each tenant in the Project not later than the date of such tenant's initial occupancy of a Unit in the Project and to maintain a file of all such Tenant Income Certifications, together with all supporting documentation, for a period of not less than three years following the end of the Qualified Project Period;

(iii) To obtain from each tenant in the Project, at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance that (A) such lease is subordinate to the Mortgage and the Tax Regulatory Agreement, (B) all statements made in the Tenant Income Certification submitted by such tenant are accurate, (C) the family income and eligibility requirements of the Tax Regulatory Agreement and the Loan Agreement are substantial and material obligations of tenancy in the Project, (D) such tenant will comply promptly with all requests for information with respect to such requirements from the Borrower, the Trustee and the Issuer, and (E) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Project;

(iv) To cause to be prepared and submitted to the Issuer for the first calendar quarter that includes the 1st day of the Qualified Project Period, and thereafter for each calendar quarter by the 25th calendar day of each April, July, October and January, as applicable, or other quarterly schedule as determined by the Issuer, a certified Compliance Monitoring Report and Occupancy Summary in a form attached as an exhibit to the Tax Regulatory Agreement or at the reasonable request of the Issuer in such other form provided by the Issuer from time to time;

(v) To the extent legally permissible and subject to the rights of the tenants to permit any duly authorized representative of the Issuer or the Trustee (without any obligation to do so) to inspect the books and records of the Borrower pertaining to the Project or the incomes of Project tenants, including but not limited to tenant files, during regular business hours and to make copies thereof if so desired and file such reports as are necessary to meet the Issuer's requirements; and

(vi) The Borrower will obtain a Tenant Income Certification from each tenant at least annually after the tenant's initial occupancy or as otherwise directed by the Issuer in writing.

Sale or Transfer of the Project

The Borrower covenants and agrees not to sell, transfer or otherwise dispose of the Project prior to the expiration of the Qualified Project Period or the date on which the Bonds have been paid in full, whichever is later, without (i) complying with any applicable provisions of the Loan Agreement and the Tax Regulatory Agreement, and (ii) obtaining the prior written consent of the Issuer. Such consent of the Issuer shall not be unreasonably withheld or delayed and shall be given if all conditions to the sale set forth in the Loan Agreement and the Tax Regulatory Agreement are met or are waived in writing by the Issuer, including (1) there is delivered to the Trustee and the Issuer a written Opinion of Counsel reasonably satisfactory to the Trustee and the Issuer, addressed to the Trustee and the Issuer, concluding that the transferee has duly assumed all of the rights and obligations of the Borrower under the Loan Agreement (to the extent still in effect) and the Tax Regulatory Agreement and that each of the documents executed by the transferee in connection therewith has been duly authorized, executed and delivered by the transferee and is a valid and enforceable obligation of the transferee, subject to customary qualifications, (2) the Trustee and the Issuer receive a Favorable Opinion of Bond Counsel, which opinion shall be furnished at the expense of the Borrower or the transferee, regarding such sale, transfer or disposition, (3) the proposed purchaser or assignee executes any document reasonably requested by the Issuer with respect to assuming the obligations of the Borrower under the Loan Agreement (to the extent still in effect) and the Tax Regulatory Agreement, and (4) the Issuer shall not have any reason to believe that the purchaser or assignee is incapable, financially or otherwise, of complying with, or may be unwilling to comply with, the terms of all agreements and instruments binding on such proposed purchaser or assignee relating to the Project, including but not limited to the Loan Agreement (to the extent still in effect) and the Tax Regulatory Agreement. The Borrower expressly stipulates and agrees that any sale, transfer or other disposition of the Project in violation of this subsection shall be ineffective to relieve the Borrower of its obligations under the Tax Regulatory Agreement. Upon any sale, transfer or other disposition of the Project in compliance with the Tax Regulatory Agreement, the Borrower so selling, transferring or otherwise disposing of the Project shall have no further liability for obligations under the Loan Agreement and the Tax Regulatory Agreement arising after the date of such disposition. The foregoing notwithstanding, the duties and obligations of the Borrower as set forth in the Loan Agreement and the Tax Regulatory Agreement with respect to matters arising prior to the date of such sale, transfer or other disposition shall not terminate upon the sale, transfer or other disposition of the Project. The foregoing restrictions on transfer shall not apply to foreclosures, deeds in lieu of foreclosure, transfer by exercise of the power of sale or other similar transfer. Any such sale or transfer shall be subject to the Issuer's multifamily rules.

The Borrower shall not change or cause to be changed the general partner of the Borrower (or cause the Borrower to have more than one general partner) without the prior written consent of the President, Vice President or Treasurer of the Issuer, which consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, the general partner of the Borrower may be removed and replaced by any partner or member of the Borrower or any of its affiliates, in accordance with the Borrower's operating agreement, as it may be amended from time to time, and subject to the satisfaction of the requirements of the Loan Agreement.

Term

The Tax Regulatory Agreement and all and each of the provisions thereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided therein and, except as otherwise provided in this section, shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions thereof are intended to survive the retirement of the Bonds, discharge of the Loan, termination of the Loan Agreement and defeasance or termination of the Indenture.

The terms of the Tax Regulatory Agreement to the contrary and notwithstanding, the Tax Regulatory Agreement, the Loan Agreement and the Indenture shall terminate, without the requirement of any consent by the Issuer and the Trustee, and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Tax Regulatory Agreement caused by fire, seizure, requisition, change in a federal law or an action of a federal agency after the Bond Closing Date which prevents the Issuer or the Trustee from enforcing the provisions thereof, or foreclosure or transfer of title by deed in lieu of foreclosure or exercise of the power of sale, condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds are retired in full or amounts received as a consequence of such event are used to provide a qualified residential rental project which meets the requirements of the Code set forth in the Tax Regulatory Agreement and the Act. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or exercise of power of sale or similar event, the Borrower

or any related Person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for federal income tax purposes. The Issuer shall not be required to consent to termination of the Tax Regulatory Agreement for any reason other than those specified above.

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

Covenants To Run With the Land

The Borrower subjects the Project to the covenants, reservations and restrictions set forth in the Tax Regulatory Agreement. The Issuer, the Trustee and the Borrower declare their express intent that the covenants, reservations and restrictions set forth in the Tax Regulatory Agreement shall be deemed covenants running with the land and shall pass to and be binding upon the Borrower's successors in title to the Project; provided, however, that upon the termination of the Tax Regulatory Agreement said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument thereafter executed covering or conveying the Project or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

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

Default; Enforcement

If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Tax Regulatory Agreement, and if such default remains uncured for a period of 60 days after written notice thereof shall have been given by the Issuer or the Trustee to the Borrower in accordance with the Indenture, then the Trustee, acting on its own behalf or on behalf of the Issuer, provided a responsible officer of the Trustee actually knows of such default pursuant to written notification, shall declare an "Event of Default" to have occurred thereunder; provided, further, however, that, if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default shall not constitute an Event of Default thereunder so long as (i) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected and (ii) in the written opinion of Bond Counsel delivered to the Trustee, the failure to cure said default within 60 days will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. The Issuer and the Trustee agree that a cure of any Event of Default made or tendered by any partner or member of Borrower, or a guarantor of any of Borrower's obligations, shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if tendered by Borrower.

Following the declaration of an Event of Default under the Tax Regulatory Agreement, the Trustee, subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding, or the Issuer may, at its option, take any one or more of the following steps:

- (i) by mandamus or other suit, action or proceeding for specific performance, including injunctive relief, require the Borrower to perform its obligations and covenants thereunder or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee thereunder;
- (ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project; and

(iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower thereunder.

The Borrower agrees that specific enforcement of the Borrower's agreements contained in the Tax Regulatory Agreement is the only means by which the Issuer and the Trustee may obtain the benefits of such agreements made by the Borrower therein, and the Borrower therefore agrees to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower thereunder.

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

Amendments

Subject to the provisions thereof, the Tax Regulatory Agreement shall be amended only by a written instrument executed by the parties thereto, or their successors in title and duly recorded in the real property records of Travis County, Texas, and only upon receipt by the Issuer, the Borrower and the Trustee of an Opinion of Bond Counsel regarding such amendment.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$9,000,000*

**Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Live Make Apartments),
Series 2023**

This Continuing Disclosure Agreement, dated as of January 1, 2023 (this “Continuing Disclosure Agreement”), is executed and delivered by Live Make Housing Partners LP, a Texas limited partnership (the “Borrower”), and [Dissemination Agent Name], as dissemination agent (the “Dissemination Agent”), for the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of January 1, 2023 (the “Indenture”) between the Austin Housing Finance Corporation (the “Issuer”) and Wilmington Trust, National Association, as trustee (the “Trustee”). Pursuant to the Indenture and the Loan Agreement, dated as of January 1, 2023, between the Issuer and the Borrower (the “Loan Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

Section 1. Purpose of this Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower, and the Dissemination Agent for the benefit of the holders of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any holder of the Bonds or Beneficial Owner, with respect to any such reports, notices or disclosures.

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

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

“Audited Financial Statements” means, in the case of the Borrower, the annual audited financial statements prepared in accordance with generally accepted accounting principles, if any.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean [Dissemination Agent Name][Name of Trustee], acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

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

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the

* Preliminary; subject to change.

MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

"Participating Underwriter" means Stifel, Nicolaus & Company, Incorporated, and its successors and assigns.

"Rule" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower's fiscal year, commencing with the fiscal year ending on December 31, 2023, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent will contact the Disclosure Representative to determine if the Borrower is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent will send in a timely manner a notice to the MSRB in substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will file a report with the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower's Annual Report will contain or incorporate by reference the financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower's Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items described in Exhibit A may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrower is an "Obligated Person" (as defined by the Rule), which have been filed with the MSRB. The Borrower will clearly identify each such other document so incorporated by reference.

Each annual report submitted hereunder shall be in readable portable document format ("PDF") or other acceptable electronic form.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a "Listed Event"):

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;

- (iii) Unscheduled draws on debt service reserves reflecting financial difficulty;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulty;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;
- (xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties; and
- (xvii) The Project's being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project's being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D hereto or such other form as may be approved by the Dissemination Agent. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C hereto or such other form as may be approved by the Dissemination Agent.

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice by facsimile transmission confirmed by telephone or by email). While the

Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above without the Dissemination Agent's having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xvii) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with notice and instructions pursuant to subsection (d) below.

(d) If the Borrower has determined that a Listed Event is required to be disclosed, then the Borrower shall prepare a written notice describing the Listed Event and provide the same to the Dissemination Agent along with instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions described under paragraph (a) under “Provision of Annual Reports,” “Contents of Annual Reports” or paragraph (a) under “Reporting of Listed Events,” it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an Obligated Person (as defined in the Rule) with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(f) hereof and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower, the Borrower or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrower, the Dissemination Agent, the Participating Underwriter and Holders from time to time of the Bonds and will create no rights in any other person or entity.

Section 9. Provision of Quarterly Statements. The Dissemination Agent shall, at the request of the Holders of the Bonds, furnish to the Holders of the Bonds, quarterly statements of the activity and assets held in each of the funds and accounts maintained by the Dissemination Agent in its capacity as Trustee under the Indenture. The Dissemination Agent shall satisfy this obligation by providing such quarterly statements via EMMA and/or an online system accessible to the Borrower and the Holders of the Bonds on each March 31st, June 30th, September 30th and December 31st. The Dissemination Agent shall furnish such quarterly statements at the sole cost of the Borrower.

Section 10. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section 11 shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

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

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

Section 12. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below or telecopied to the telecopier number of the recipient, with confirmation of transmission, indicated below:

If to the Borrower:

Live Make Partners, LP
c/o MRE Capital, LLC
10777 Barkley Street, Suite 140
Overland Park, KS 66211
Attention: Jake Mooney
Email: mooney@mrecapital.com

If to the Dissemination Agent:

[Dissemination Agent]
[Address]
Attention:
Email:

Section 13. Governing Law. This Continuing Disclosure Agreement shall be governed by the laws of the State of Texas.

Section 14. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days

prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, tender, conversion or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

Section 15. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages to follow]

[Borrower's Signature Page to the Continuing Disclosure Agreement]

LIVE MAKE HOUSING PARTNERS LP,
a Texas limited partnership

By: Tillery Street Housing, LLC,
a Texas limited liability company,
its general partner

By: MRE Capital Investments, LLC,
a Missouri limited liability company,
its manager

By: _____
Jacob Mooney
Manager

By: _____
Daniel Sailler, III
Manager

[Signatures continued on next page]

[Dissemination Agent's Signature Page to the Continuing Disclosure Agreement]

[DISSEMINATION AGENT],
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

\$9,000,000*

Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Live Make Apartments),
Series 2023

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Live Make Apartments
Address:	1127 Tillery Street, Austin, TX 78702
Number of Units:	66

INFORMATION ON THE BONDS

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	

OPERATING HISTORY OF THE PROJECT

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, 20__, as derived from the Borrower's audited financial statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending December 31, _____	
Revenues	
Operating Expenses ¹	
Net Operating Income	
Debt Service on the Series 2023 Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

¹ Excludes depreciation and other non-cash expenses.

Occupancy Results for Fiscal Year Ending December 31, _____	
Physical Occupancy	_____%
Economic Occupancy ¹	_____%

¹ The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense

* Preliminary; subject to change.

AUDITED FINANCIAL STATEMENTS

_____ Attached

_____ Audited financial statements of the Borrower for the period ending December 31, 20____ are not yet completed; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements. Audited financial statements will be filed when available.

_____ No audited financial statements of the Borrower were prepared for the period ending December 31, 20____; therefore, no audited financial statements of the Borrower are being filed herewith. Unaudited financial statements for such period are attached in lieu of audited financial statements.

EXHIBIT B

**NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: Austin Housing Finance Corporation
Name of Issue: Multifamily Housing Revenue Bonds (Live Make Apartments), Series 2023
Name of Borrower: Live Make Housing Partners LP
CUSIP: [CUSIP]
Date of Issuance: January ____, 2023

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “Borrower”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by _____.

DATED: _____

[DISSEMINATION AGENT],
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF
PROJECT PLACED IN SERVICE**

Name of Issuer: Austin Housing Finance Corporation

Name of Bond Issue: Multifamily Housing Revenue Bonds (Live Make Apartments), Series 2023

Name of Borrower: Live Make Housing Partners LP

Name of Project: Live Make Apartments

Address of Project: 1127 Tillery Street, Austin, TX 78702

Date of Issuance: January __, 2023

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of January 1, 2023, between the above-referenced borrower (the “Borrower”) and [Dissemination Agent], as Dissemination Agent, that the Borrower has certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

[DISSEMINATION AGENT],
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$9,000,000*

**Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Live Make Apartments),
Series 2023**

The undersigned hereby provides notice to [_____, a _____], as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Live Make Apartments (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of January 1, 2023, between the Austin Housing Finance Corporation (the “Issuer”) and Wilmington Trust, National Association, a national banking association, as trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

LIVE MAKE HOUSING PARTNERS LP,
a Texas limited partnership

By: Tillery Street Housing, LLC,
a Texas limited liability company,
its general partner

By: MRE Capital Investments, LLC,
a Missouri limited liability company,
its manager

By: _____
Jacob Mooney
Manager

By: _____
Daniel Sailler, III
Manager

* Preliminary; subject to change.

ATTACHMENT

Certificate of Occupancy

APPENDIX F

FORM OF BOND COUNSEL OPINION

January __, 2023

\$9,000,000*

**Austin Housing Finance Corporation
Multifamily Housing Revenue Bonds
(Live Make Apartments), Series 2023**

WE HAVE ACTED AS BOND COUNSEL for Austin Housing Finance Corporation (the “Issuer”) solely for the purpose of rendering an opinion as to the validity of the Issuer’s captioned bonds (the “Series 2023 Bonds”) under Texas law. In such capacity, we do not take responsibility for any matters relating to such transaction except as covered below, and specifically we have not been requested to examine, and have not investigated or verified any records, material or matters relating to the financial condition or capacity of the Issuer or Live Make Housing Partners LP (the “Borrower”), a Texas limited partnership, or any of its affiliates, or any matter relating to the Borrower or any of its affiliates, other than as stated below, or the disclosure thereof in connection with the sale of the Series 2023 Bonds, and we express no opinion with respect thereto.

THE SERIES 2023 BONDS are issued pursuant to a Trust Indenture dated as of January 1, 2023 (the “Indenture”) between the Issuer and Wilmington Trust, National Association (the “Trustee”).

WE HAVE EXAMINED into the validity of the Series 2023 Bonds which bear interest until maturity or redemption at the interest rates set forth in the Indenture. Interest on the Series 2023 Bonds is payable and the Series 2023 Bonds mature on the dates set forth in the Indenture and the Series 2023 Bonds are subject to optional and mandatory redemption prior to maturity in accordance with the terms and conditions stated in the Series 2023 Bonds. The Series 2023 Bonds are issuable only as fully registered bonds in the denominations described in the Indenture.

WE HAVE EXAMINED certified copies of the proceedings of the Board of Directors of the Issuer; certificates and resolutions of the Borrower and certain of its affiliates; the opinion of counsel to the Borrower, upon which we rely to the extent described below; and other instruments authorizing and relating to the issuance of the Series 2023 Bonds, including one of the executed Series 2023 Bonds.

BASED ON SUCH EXAMINATION, IT IS OUR OPINION that the resolution of the Issuer authorizing the Series 2023 Bonds (the “Bond Resolution”) has been duly and lawfully adopted by, and constitutes a valid and binding obligation of, the Issuer, and that the Series 2023 Bonds have been duly authorized, issued and delivered in accordance with Texas law and constitute valid and binding obligations of the Issuer. The principal of, redemption premium, if any, and interest on the Series 2023 Bonds are payable from, and secured by a pledge and assignment of, the revenues derived by the Issuer from the Borrower pursuant to a Loan Agreement related to the Series 2023 Bonds, dated as of January 1, 2023 (the “Loan Agreement”) between the Issuer and the Borrower. The Borrower has agreed and is unconditionally obligated to the Issuer to make the payments due under the Loan Agreement to the Trustee under the Indenture in amounts sufficient to pay and redeem, or provide for the payment and redemption of, the principal of, redemption premium, if any, and interest on the applicable Series 2023 Bonds, when due, as required by the Indenture. We do not, however, express any opinion nor make any comment with respect to the sufficiency of the security for or the marketability of the Series 2023 Bonds.

IT IS OUR OPINION that the Loan Agreement has been duly and lawfully authorized, executed, and delivered by, and is a valid and binding obligation of the Issuer. We are relying upon the opinion, dated this date, of counsel for the Borrower and the Trustee to the effect that the Loan Agreement has been duly and lawfully authorized, executed and delivered by the Borrower and the Trustee, respectively, and is a legal, valid and binding obligation of the Borrower and the Trustee, enforceable in accordance with its terms and conditions.

* Preliminary; subject to change.

IN OUR OPINION, except as discussed below, interest on the Series 2023 Bonds will be excludable from the gross income of the owners of the Series 2023 Bonds for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion, except for any holder during any period that such Series 2023 Bonds are held by either a “substantial user” of the facilities financed with the proceeds of the Series 2023 Bonds or a “related person” of such user, as provided in section 147(a) of the Internal Revenue Code of 1986 (the “Code”). We are further of the opinion that the Series 2023 Bonds are not “specified private activity bonds” and that accordingly, interest on the Series 2023 Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Code.

IN EXPRESSING THE AFOREMENTIONED OPINION, we (a) rely on information furnished by the Borrower, and particularly written representations of officers of the Borrower with respect to certain material facts which are solely within their knowledge, relating to the Project, as defined in the Agreement, and use and investment of the proceeds of the Series 2023 Bonds, and (b) assume continuing compliance by the Issuer and the Borrower with certain covenants regarding the use and investment of the proceeds of the Series 2023 Bonds, and the operation and management of the project. We call your attention to the fact that if the representations are determined to be incorrect or there is a failure to comply with the covenants or to receive such allocation, interest on the Series 2023 Bonds may become includable in gross income retroactively to the date of issuance of the Series 2023 Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Series 2023 Bonds, including the amount, accrual or receipt of interest on, the Series 2023 Bonds. Owners of the Series 2023 Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Series 2023 Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the “Service”); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer and Borrower have covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

THE SERIES 2023 BONDS ARE FURTHER SECURED BY the Indenture whereunder the Trustee is custodian of the funds established by the Indenture and is obligated to enforce the rights of the Issuer and the owners of the Series 2023 Bonds secured by the Indenture and to perform other duties, in the manner and under the conditions stated in the Indenture; and it is our further opinion that the Indenture has been duly and lawfully authorized, executed and delivered by the Issuer, and is a valid and binding agreement of the Issuer.

THE OWNERS OF THE SERIES 2023 BONDS shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation, and the Series 2023 Bonds are payable solely from the sources described in the Indenture.

THE INDENTURE PERMITS, with certain exceptions as therein provided, the amendment thereof at any time by the Issuer with the consent of Holders (as defined in the Indenture).

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to

reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

THE OPINIONS contained herein are limited to the extent that (a) enforceability of the Series 2023 Bonds, the Bond Resolution, the Indenture and the Loan Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or remedies generally and (b) a particular court may refuse to grant certain equitable remedies, including, without limitation, specific performance, with respect to any of the provisions of the Series 2023 Bonds, the Bond Resolution, the Indenture and the Loan Agreement.

Respectfully,