

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 9, 2026

NEW ISSUE – Book-Entry Only

RATING: Moody's "Aa1/VMIG 1"  
SEE "RATING" herein.

*In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Issuer, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which the Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person," and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In the opinion of General Counsel to the Issuer, under existing statutes, the Bonds and the income therefrom shall at all times be exempt from taxation by the State of West Virginia (the "State") or any county, municipality or other governmental subdivision of the State, except for death and gift taxes, taxes on transfers, sales taxes, real property taxes and business and occupation taxes. See "TAX MATTERS" herein.*

**\$16,600,000\***  
**West Virginia Housing Development Fund**  
**Multifamily Housing Revenue Bonds, Series 2026**  
**(Highlawn Place)**

**Dated: Date of Delivery**

**Initial Interest Rate: \_\_\_\_%**

**Initial Offering Price: \_\_\_\_%**

**Maturity Date: November 1, 2028\***

**Initial Mandatory Tender Date: February 1, 2028\***

**CUSIP: \_\_\_\_\_**

The West Virginia Housing Development Fund (the "Issuer") is issuing its Multifamily Housing Revenue Bonds, Series 2026 (Highlawn Place) (the "Bonds") pursuant to a Trust Indenture dated as of January 1, 2026 (the "Indenture"), by and between the Issuer and Zions Bancorporation, National Association, as trustee (the "Trustee"). The Bonds shall bear interest at the Initial Interest Rate set forth above (the "Initial Interest Rate") from their date to, but not including, the Initial Mandatory Tender Date set forth above (the "Initial Mandatory Tender Date"), payable on each February 1 and August 1 commencing August 1, 2026\*. See "THE BONDS" herein.

The Bonds are being issued to finance a loan (the "Bond Loan") to Highlawn TC Senior Apartments, LP, a West Virginia limited partnership (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring and rehabilitating a 133-unit multifamily residential rental housing development known as Highlawn Place Senior Apartments, located at 1130 Third Avenue, Huntington, Cabell County, West Virginia (the "Project"). The Bond Loan will be made to the Borrower pursuant to a Loan Agreement, dated as of January 1, 2026 (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 Bond Loan will be evidenced by a Promissory Note in the principal amount of \$16,600,000\* (the "Note") from the Borrower to the Issuer and endorsed to the Trustee.

The Bonds will be secured by the Revenues, to include the Special Funds (as defined herein) and other amounts constituting the Trust Estate pledged therefor, together with interest earnings thereon as described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein. The Bonds are not secured by any lien or mortgage with respect to the Project.

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 Initial Mandatory Tender Date. All Holders of Bonds must tender their Bonds for purchase on the Initial Mandatory Tender Date. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. 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 also subject to optional redemption prior to maturity as set forth herein. See "THE BONDS—Redemption of Bonds—Optional Redemption" herein.

**NEITHER THE DIRECTORS OR OFFICERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. 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 Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Issuer, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., for the Issuer by its counsel, Jackson Kelly PLLC, Charleston, West Virginia, and for the Borrower by its counsels, Downs Pham & Kuei LLP, San Francisco, California, and Spilman Thomas and Battle, PLLC, Morgantown, West Virginia. It is expected that the Bonds will be available in book-entry form through the facilities of DTC on or about January \_\_, 2026.*

*This cover page contains limited information for ease of reference only. It is not a summary of the Bonds or the security therefor. This entire Official Statement, including the Appendices, must be read to obtain information essential to make an informed investment decision.*

**STIFEL**

Date: January \_\_, 2026

\* Preliminary; subject to change.

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 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 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.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY STATE SECURITIES LAWS, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, BECAUSE OF AVAILABLE EXEMPTIONS THEREFROM, AND THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION BY QUALIFICATION UNDER THE WEST VIRGINIA SECURITIES ACT. THE BONDS HAVE NOT BEEN APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED BY THE WEST VIRGINIA SECURITIES COMMISSION OR ANY OTHER FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, AND NONE OF THE FOREGOING HAS REVIEWED THIS OFFICIAL STATEMENT OR CONFIRMED THE ACCURACY OR TRUTHFULNESS THEREOF OR WHETHER IT IS COMPLETE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. PROSPECTIVE PURCHASERS SHOULD MAKE THEIR OWN DECISION WHETHER THIS OFFERING MEETS THEIR INVESTMENT OBJECTIVES AND FINANCIAL RISK TOLERANCE LEVEL.

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.

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Zions Bancorporation, 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.

***CAUTIONARY INFORMATION REGARDING FORWARD-LOOKING STATEMENTS IN THIS  
OFFICIAL STATEMENT***

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No updates or revisions to those forward-looking statements will be issued if or when the expectations, or events, conditions or circumstances on which such statements are based change.

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## OFFICIAL STATEMENT

**\$16,600,000\***

**West Virginia Housing Development Fund  
Multifamily Housing Revenue Bonds, Series 2026  
(Highlawn Place)**

### INTRODUCTION

This Official Statement (this “Official Statement”) has been prepared in connection with the issuance of the above-captioned Bonds (the “Bonds”) by the West Virginia Housing Development Fund (the “Issuer”), a public body corporate and governmental instrumentality of the State of West Virginia (the “State”). The Board of Directors of the Issuer has authorized the issuance of the Bonds by its duly adopted Resolution dated September 24, 2025 (the “Bond Resolution”) and the Bonds are issued pursuant to a Trust Indenture dated as of January 1, 2026 (the “Indenture”), by and between the Issuer and Zions Bancorporation, 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, under authority of and in compliance with the laws of West Virginia, and particularly the West Virginia Housing Development Fund Act, constituting Article 18 of Chapter 31 of the Code of West Virginia, 1931, as amended (the “Act”), for the purpose of providing funds to make a loan (the “Bond Loan”) to Highlawn TC Senior Apartments, LP, a West Virginia limited partnership (the “Borrower”), to enable the Borrower to pay a portion of the cost of acquiring and rehabilitating a 133-unit multifamily residential rental housing project known as Highlawn Place Senior Apartments, located at 1130 Third Avenue, Huntington, Cabell County, West Virginia (the “Project”). See “PRIVATE PARTICIPANTS” and “THE PROJECT” herein.

The Bond Loan will be made to the Borrower under a Loan Agreement dated as of January 1, 2026 (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 Bond Loan will be evidenced by a promissory note in the principal amount of \$16,600,000\* (the “Note”) from the Borrower to the Issuer and endorsed to the Trustee.

Contemporaneously with the issuance of the Bonds, the Borrower is obtaining (i) a separate equity bridge loan (the “Bridge Loan”) from Bridgewater Bank, a Minnesota state banking corporation, in its capacity as maker of the Bridge Loan (the “Bridge Lender”), in the principal amount of \$7,500,000\*, (ii) a separate mortgage loan (the “HOME Loan”) from the Issuer in its capacity as maker of the HOME Loan (the “HOME Lender”) in the principal amount of \$800,000\*, (iii) a separate mortgage loan (the “HTF Loan”) from the Issuer in its capacity as maker of the HTF Loan (the “HTF Lender”) in the principal amount of \$3,386,285\*, and (iv) a separate mortgage loan (the “MLP Loan,” and together with the Bridge Loan, the HOME Loan and the HTF Loan, the “Non-Bond Loan”) from the Issuer in its capacity as maker of the MLP Loan (the “MLP Lender,” and together with the Bridge Lender, the HOME Lender and the HTF Lender, the “Non-Bond Lender”) in the principal amount of \$13,113,715\*. The Borrower will cause a portion of the Non-Bond Loan proceeds (the “Eligible Funds”) to be deposited into the Collateral Fund held by the Trustee under the Indenture for the purposes of securing the Bonds. Prior to the disbursement of amounts drawn from the Project Fund to pay costs of the Project, a like amount of Eligible Funds will be deposited to the Collateral Fund. See “ELIGIBLE FUNDS 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 (without the need for reinvestment). Amounts on deposit in the Collateral Fund, the

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\* Preliminary; subject to change.

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 the Initial Interest Rate set forth on the cover page hereof (the “Initial Interest Rate”) per annum from their date, to but not including, February 1, 2028\* (the “Initial Mandatory Tender Date”), payable on each February 1 and August 1, commencing August 1, 2026\* (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 the Initial Mandatory Tender Date. All Holders of Bonds must tender their Bonds for purchase on the Initial Mandatory Tender Date. A new interest rate for the Bonds may be determined on the 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 under “THE BONDS.”

Brief descriptions of the Issuer, the Borrower, the Non-Bond Loan, the Project, the Bonds, the security for the Bonds, the Indenture, the Loan Agreement and the Bond Regulatory Agreement are included in this Official Statement. The summaries herein do not purport to be complete and are qualified in their entirety 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 entirety 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 Borrower, the Underwriter nor any of their respective counsel, members, officers or employees make any representations as to the accuracy or sufficiency of such information.*

The Issuer was established in 1968 as a governmental instrumentality of the State and a public body corporate. Its primary corporate purpose is to increase the supply of residential housing in the State for persons and families of low and moderate income and, among other things, it is empowered by the Act to provide construction and permanent mortgage financing to public and private sponsors of such housing. The Issuer is authorized under the Act to issue the Bonds.

Through its various programs, the Issuer has financed or assisted in the development or provisions of over an estimated 172,000 housing units in the State. In planning and operating its various programs, the management of the Issuer takes into consideration various economic and regulatory factors which affect its business activities and legislative mandate. Such factors, including prevailing economic conditions, mortgage interest rates, investment rates, the demand for housing, the cost of housing and of operating housing programs, the volume of mortgage lending activity in the State and other factors affecting the supply of housing in the State may affect the financing activities of the Issuer. The programs operated by the Issuer have been and may again be affected by State and federal administrative, regulatory and legislative actions.

The Issuer is governed by an eleven-member Board of Directors consisting of the Governor, Attorney General, Commissioner of Agriculture and Treasurer, all of whom serve ex-officio as public directors, and seven members chosen as private directors from the general public residing in the State. All public directors may designate representatives to serve on their behalf. The offices of Governor, Attorney General, Commissioner of Agriculture and Treasurer are elective and the current terms of such offices expire in January 2029. The Governor with the advice and consent of the State Senate appoints private directors for staggered terms of four years with no more than four of the

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\* Preliminary; subject to change.



private directors from the same political party. The Act designates the Governor or his or her designee as the Chair of the Board of Directors, and also provides that the Governor shall appoint the executive director, with the advice and consent of the State Senate, and that the executive director will serve at the Governor's will and pleasure.

## **ELIGIBLE FUNDS AND DISBURSEMENT OF BOND PROCEEDS**

Simultaneously with the issuance of the Bonds, the Borrower will obtain the Non-Bond Loan from the Non-Bond Lender. Proceeds of such loans deposited into the Collateral Fund shall become Eligible Funds under the Indenture. Over time, the Borrower will cause the Non-Bond Lender to deliver to the Trustee Eligible Funds in the amount of each disbursement request, as approved by the Non-Bond Lender, for deposit into the Collateral Fund as security for the Bonds in exchange for the release of a like amount of bond proceeds from the Project Fund, which shall be disbursed by the Trustee all in accordance with the Loan Agreement and the Indenture to pay Project Costs. The maximum aggregate amount of Eligible Funds to be deposited into the Collateral Fund over time will be \$16,600,000\*.

Bond Service Charges shall be payable as they become due, (i) in the first instance from the moneys on deposit in the Bond Fund (other than the Negative Arbitrage Account within the Bond Fund), (ii) next, from moneys on deposit in the Negative Arbitrage Account within the Bond Fund, (iii) next, from moneys on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (iv) thereafter, from moneys on deposit in the Project Fund and transferred as necessary to the Bond Fund. The Indenture provides that each disbursement of funds from the Project Fund for payment of Project Costs be preceded by the deposit of an equal amount of Eligible Funds in the Collateral Fund. Accordingly, the aggregate amount in the Collateral Fund and the Project Fund shall at all times equal 100% of the principal amount of the Outstanding Bonds.

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 Non-Bond Lender will not deliver Eligible Funds until the Trustee has first confirmed in writing this calculation to the Non-Bond Lender. Upon receipt of Eligible Funds from the Non-Bond Lender, the Trustee shall be unconditionally and irrevocably obligated to disburse Bond proceeds from the Project Fund in the amount of such Eligible Funds.

The amounts on deposit in the Project Fund, the Bond Fund and the Collateral Fund (collectively, the "Special Funds") will be invested on the Closing Date in Eligible Investments. See "SECURITY AND SOURCES OF PAYMENT 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 November 1, 2028\* (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 Initial Mandatory Tender Date, payable on each Interest Payment Date, commencing August 1, 2026\*, 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

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\* Preliminary; subject to change.

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.

### **Redemption of the Bonds**

Optional Redemption. The Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower on the Initial Remarketing Date at a redemption price of 100% of the principal amount of such Bonds to be redeemed plus accrued interest thereto. If the Bonds are not redeemed in whole on the Initial Remarketing Date, the Borrower, in consultation with the Remarketing Agent, may establish an optional redemption date with respect to any subsequent Remarketing Period and, thereafter, the Bonds are subject to optional redemption in whole or in part by the Issuer at the written direction of the Borrower on or after the applicable redemption date at a redemption price of 100% of the principal amount of such Bonds to be redeemed plus accrued interest to the applicable redemption date. Notwithstanding the foregoing, the Bonds shall not be so subject to redemption until the Trustee receives a certificate from the Borrower stating that (i) the last building in the Project has been placed in service for purposes of Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") and (ii) at least 50% of the aggregate basis in the land and buildings of the Project have been financed or will be financed with the proceeds of the Bonds.

Mandatory Redemption of Bonds. The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the redemption date, if any, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has not elected to request 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 Bond Fund at 11:00 A.M. Eastern time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Purchase in Lieu of Redemption. At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee, the Issuer and the Remarketing Agent given not less than five (5) Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof. Bonds so purchased in lieu of redemption shall remain Outstanding and shall be registered upon the direction of the Borrower; *provided*, however, that notwithstanding anything in the Indenture or elsewhere to the contrary, neither the Borrower nor a Related Party (as defined in Treasury Regulation Section 1.150-1(b)) shall be permitted to purchase the Bonds, which are being issued as Program Investments (as defined in Treasury Regulation Section 1.148-1(b)).

Partial Redemption. 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 or Denominations 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 Depository or the nominee of the Depository that is the Holder of such Bond, and

the selection of the Beneficial Ownership Interests in that Bond to be redeemed shall be at the sole discretion of the 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 thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption (with a copy to the Investor Limited Partner). 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 sixty (60) days following the date fixed for redemption of that Bond.

### **Mandatory Tender**

**Mandatory Tender for Purchase.** 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.

**Mandatory Tender Dates.** The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender Date and (ii) any subsequent dates for mandatory tender of the Bonds established by the Borrower with the consent of the Remarketing Agent in connection with a remarketing of the Bonds pursuant to the Indenture.

**Holding of Tendered Bonds.** 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.

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

**Purchase of Tendered Bonds.** 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.

**Undelivered Bonds.** Bonds shall be deemed to have been tendered for purposes of the Indenture 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.

## Notice of Mandatory Tender

Notice to Holders. Not less than thirty (30) days preceding a 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 Investor 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.

Second Notice. 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.

Failure to Give Notice. Neither failure to give or receive any notice described in the Indenture, 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 the Indenture.

## Book-Entry Only System

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

The Depository Trust Company (“DTC”) 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 Standard & Poor's 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](http://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 believed 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) the Revenues, including, without limitation, all Bond Loan Payments, Eligible Funds and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the Bond Loan, (ii) the Special Funds, including all accounts in those Funds and all money deposited therein and the investment earnings on such money, (iii) subject to the provisions of the Bond Resolution, all right, title and interest of the Issuer in the proceeds derived from the sale of the Bonds, and any securities in which money in the Special Funds are invested, and (except for money required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone in 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, (iv) the Note, except for the Reserved Rights and (v) the Loan Agreement, except for the Reserved Rights (the foregoing collectively referred to as the "Trust Estate"); provided, however, the Trust Estate does not include the Non-Bond Loan Fund, the Rebate Fund, the Expense Fund or the Costs of Issuance Fund (nor, in each case, any moneys deposited therein nor the investment earnings on such moneys).

The Bonds, and the premium, if any, and interest thereon, are special limited obligations of the Issuer, the principal of, premium, if any, and interest on which are payable solely from the Trust Estate. NEITHER THE DIRECTORS OR OFFICERS OF THE ISSUER NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE ISSUER) SHALL BE LIABLE THEREON, NOR IN ANY EVENT SHALL SUCH BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE ISSUER PLEDGED THEREFOR PURSUANT TO THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE ISSUER HAS NO TAXING POWER.

## **Repayment of Bond Loan**

The Loan Agreement and the Note obligate the Borrower to cause to be paid to the Trustee amounts which shall be sufficient to pay Bond Service Charges coming due on each Bond Payment Date, however, it is expected that Eligible Funds required to be deposited into the Collateral Fund and amounts on deposit in the Bond Fund and the Project Fund, along with interest earnings thereon (without the need for reinvestment), 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 private participants 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 for the Project is a single-asset entity formed for the specific purpose of acquiring, owning, and operating the Project. The general partner of the Borrower is Highlawn TC GP, LLC, a West Virginia limited liability company (the "General Partner"), which will own a 0.01% ownership interest in the Borrower. Garnet LIHTC Fund XX, LLC, a Delaware limited liability company (the "Investor Limited Partner"), will own a 99.98% interest in the Borrower. Transamerica Affordable Housing, Inc, a California corporation (the "Special Limited Partner"), will own a 0.01% interest in the Borrower.

## **The Investor Limited Partner**

Contemporaneously with the issuance of the Bonds, the Investor Limited Partner expects to acquire a 99.98% ownership interest in the Borrower. In connection with such acquisition, the equity funding arrangements for the funding of the federal low-income housing tax credit equity (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, Investor Limited Partner and Special 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, the Special 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 Developer**

The developer for the Project is GLTC Partners, LLC, a North Dakota limited liability company (the "Developer"). The Developer was started in 2011 and has 14 years of experience in affordable housing development. The Developer has developed 1,200 units in six states.

### **The Architect**

The architect for the Project is Benton Design Group (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 10 years and has been the principal architect for approximately 341 multifamily developments with an excess of 10,000 units throughout 32 states.

### **The General Contractor**

The general contractor for the Project is Navko LLC (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based in Potomac, Maryland, the General Contractor was formed in 2017 and is a West Virginia-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 2,000 housing units in Maryland, Virginia, West Virginia, Washington, D.C., Massachusetts and New York.

### **The Property Manager**

The Borrower has entered into a management agreement with CCI, Inc. (the "Property Manager") to manage the day-to-day operations of the Project. The Property Manager is an affiliate of the Developer. The Property Manager has been involved in the management of affordable housing since 1995. The Property Manager currently manages 8,000 apartment units in 30 states.

### **The Non-Bond Lender**

The Issuer, in its separate capacity as the HOME Lender, the HTF Lender or the MLP Lender, will, upon satisfaction of certain conditions precedent, make the applicable HOME Loan, HTF Loan or MLP Loan to the Borrower. Bridgewater Bank, in its capacity as the Bridge Lender, will, upon satisfaction of certain conditions precedent, make the Bridge Loan to the Borrower.

## **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 any other person. Although the information shown below has been obtained from sources believed to be reliable, no representation is made herein by the Issuer or the Underwriter or any of their officers or employees 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 Highlawn Place Senior Apartments, is located in Huntington, West Virginia, on an approximately 0.95-acre site. The Project contains 133 apartment units in one building located at 1130 Third Avenue. Common area improvements will include: building systems, common area finishes, fixtures, and furniture. Unit



amenities include: kitchens, bathrooms, windows, fixtures, and finishes. There are 38 parking spaces for resident use only.

It is anticipated that rehabilitation will commence promptly upon the issuance of the Bonds and funding of the initial installment of the Tax Credit Equity and will be completed in approximately 12 months.

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

<u>Composition</u>	<u>Number of Units</u>	<u>Approximate Sq. Footage</u>
1 Bedroom, 1 Bath	130	525
2 Bedroom, 1 Bath	<u>3</u>	753
<b>Total</b>	<b>133</b>	

## Plan of Financing

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

<b>Sources of Funds*</b>	
Bond Proceeds	\$16,600,000
Bridge Loan	7,500,000
Seller Carryback	3,350,404
Federal LIHTC Equity	11,807,619
MLP Loan	13,113,715
HTF Loan	3,386,285
HOME Loan	800,000
Deferred Developer Fee	452,000
Cash Flow (Years 1 & 2)	<u>252,000</u>
<b>Total</b>	<b><u>\$57,262,023</u></b>
<b>Uses of Funds*</b>	
Acquisition Costs	\$11,500,000
Financing Costs	1,691,676
Syndication Costs	95,000
Acquisition Fees	160,000
Third Party Costs	122,659
Agency Costs	178,106
Construction Soft Costs	2,043,908
Developer Fee	2,258,408
Construction Costs	12,558,545
Contingencies	1,646,191
Initial Operating Reserve Deficit	907,530
Repayment of Bridge Loan	7,500,000
Payment of Bond Principal	<u>16,600,000</u>
<b>Total</b>	<b><u>\$57,262,023</u></b>

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

*Bridge Loan.* The Project will utilize an equity bridge loan in the principal amount of \$7,500,000\* (the "Bridge Loan"). The obligation to repay the Bridge Loan will be set forth in a promissory note (the "Bridge Loan Note") from the Borrower to the Bridge Lender, as maker of the Bridge Loan, and the Bridge Loan will be repaid on the terms and conditions set forth therein. The Bridge Loan Note will be secured by (i) a pledge of equity contributions, (ii) a pledge of the general partnership interests in the Borrower and (iii) a sponsor guaranty by LG TC Holdings, LP. The Bridge Loan Note will have a term of 24 months and will bear interest at a rate of 7% per annum,

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\* Preliminary; subject to change.

with no payments of principal during the term, and with annual principal and interest not otherwise paid, due at maturity.

*Seller Carryback Loan.* The Project will utilize a seller loan in the principal amount of \$3,350,404\* (the “Seller Carryback Loan”). The obligation to repay the Seller Carryback Loan will be set forth in a promissory note (the “Seller Carryback Loan Note”) from the Borrower to Highlawn Senior Apartments, LP, a West Virginia limited partnership, as maker of the Seller Carryback Loan, and the Seller Carryback Loan will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The Seller Carryback Loan Note will be unsecured. The Seller Carryback Loan Note will have a term of 40 years and will bear interest at a rate of 8.00% per annum, with annual principal and interest not otherwise paid, due at maturity.

*Low Income Housing Tax Credit Proceeds.* Prior to the issuance of the Bonds, the Borrower sold to the Investor Limited Partner a 99.98% ownership interest in the Borrower. Pursuant to the sale, the funding of the Federal Low Income Housing Tax Credit equity will total approximately \$11,807,619\*, with an initial capital contribution of \$2,342,524\*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded, the timing or the occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

*MLP Loan.* The Project will utilize a loan in the principal amount of \$13,113,715\* (the “MLP Loan”). The obligation to repay the MLP Loan will be set forth in a promissory note (the “MLP Note”) from the Borrower to the West Virginia Housing Development Fund in its capacity as maker of the MLP Loan, and the MLP Loan will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The MLP Note will be secured by a Credit Line Deed of Trust, Security Agreement and Fixture Filing made in connection with the MLP Loan by the Borrower for the benefit of the MLP Lender, effective as of the Closing Date (the “MLP Mortgage”). The MLP Note will have a term of 40 years and will bear interest at a rate of 5.75% per annum, with annual principal and interest not otherwise paid, due at maturity.

*HTF Loan.* The Project will utilize a loan in the principal amount of \$3,386,285\* (the “HTF Loan”). The obligation to repay the HTF Loan will be set forth in a promissory note (the “HTF Note”) from the Borrower to the West Virginia Housing Development Fund in its capacity as maker of the HTF Loan, and the HTF Loan will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The HTF Note will be secured by a subordinate mortgage against the Project subordinate to the MLP Mortgage. The HTF Note will have a term of 30 years and will bear interest at a rate of 0% per annum, with annual principal and interest not otherwise paid, due at maturity.

*HOME Loan.* The Project will utilize a loan in the principal amount of \$800,000\* (the “HOME Loan”). The obligation to repay the HOME Loan will be set forth in a promissory note (the “HOME Note”) from the Borrower to the West Virginia Housing Development Fund in its capacity as maker of the HOME Loan, and the HOME Loan will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The HOME Note will be secured by a subordinate mortgage against the Project subordinate to the MLP Mortgage. The HOME Note will have a term of 20 years and will bear interest at a rate of 0% per annum, with annual principal and interest not otherwise paid, due at maturity.

*Deferred Developer Fee.* The Project will utilize a deferred developer fee in the amount of \$452,000\* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

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\* Preliminary; subject to change.

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

<b>Sources of Funds*</b>	
Bond Proceeds (Par)	\$16,600,000
Eligible Funds	
<b>Total</b>	<b>\$_____</b>
<b>Uses of Funds*</b>	
Project Fund	\$
Negative Arbitrage Account	
<b>Total</b>	<b>\$_____</b>

## HAP Contract

The Borrower will receive the benefit of a Section 8 Housing Assistance Payment Contract (the “HAP Contract”) covering all 133 units at the Project.

Funding under the HAP Contract is subject to annual Congressional appropriations, as more particularly described below. The Section 8 project-based housing assistance payment program (the “Section 8 Program”) is authorized by Section 8 of the United States Housing Act of 1937, as amended, and in the case of Section 8 contracts is administered by local public housing authorities. Renewals of Section 8 HAP contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act of 1997, as amended (“MAHRA”). The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the area median income (“AMI”) for the area as determined by HUD), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the “contract rent” for the unit approved by HUD and the eligible tenant’s contribution, which is generally 30% of income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Project, as they may be adjusted from time to time with procedures set forth in MAHRA and the HAP Contract, are the “contract rents” for the Project. The HAP Contract will require the Borrower to maintain the Project in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Project, use of project funds, and other matters. If the Borrower fails to comply with the terms of the HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the HAP Contract or impose other sanctions. MAHRA requires that upon the request of the Borrower, HUD shall renew the HAP Contract under the Section 8 Program. However, because the HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the HAP Contract will be renewed or replaced upon its expiration. Funding for HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the HAP Contract. Since payments received under the HAP Contract constitute a primary source of revenues for the Project, the expiration of the HAP Contract, or the failure of Congress to appropriate funds sufficient to fund the HAP Contract during each year of its term, would have a material adverse effect on the ability of the Project to generate revenues sufficient to pay the principal of and interest on the Bonds.

## Project Regulation

The Borrower intends to construct, rehabilitate, 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 Bond Regulatory Agreement. Under the Bond 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 Development 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). Each applicable Qualified Project Period commences on the later of the Closing Date or the first day on which at least 10% of the units in the related project are occupied and continues until the latest of (a) the date which is fifteen (15) years after the later

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\* Preliminary; subject to change.

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 United States Housing Act of 1937, as amended (the “National Housing Act”) terminates. The failure of the Borrower to comply with the Bond 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 BOND REGULATORY AGREEMENT.”

In addition to the rental restrictions imposed upon the Project by the Tax Regulatory Agreement, the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the federal low-income housing tax credits anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code (the “Extended Use Agreement”). Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the “Tax Credit Units”); 112 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size, 4 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 50% of the AMI adjusted for family size, and 17 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 30% of the AMI adjusted for family size.

Additional restrictions are imposed on the Project pursuant to separate declaration of restrictive covenants documents entered into by the Borrower in connection with the HTF Loan and the HOME Loan, and a regulatory agreement entered into by the Borrower in connection with the MLP 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 following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. 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 (without the need for reinvestment). 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 members have no personal liability (except as otherwise provided in the Note) and as to which the Borrower and its members 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 Bond 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 will be at least equal to the then outstanding principal amount of the Bonds after such disbursement. It is expected that funds on deposit in the Collateral Fund and Negative Arbitrage Account of the Bond Fund, and the interest earnings thereon (without the need for reinvestment) will be sufficient to pay the debt service on the Bonds.

#### **Limited Security for Bonds**

The Bonds are not secured by the Non-Bond 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 debt service on the Bonds.

## **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 Tax Certificate and Agreement, the Loan Agreement and the Bond 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. Holders of the Bonds 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 Bond 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 Underwriter 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.

## **Potential Impact of Pandemics or Public Health Crises**

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic would 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 a default and acceleration thereof.

## **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 of Bond Counsel**

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Issuer, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which the Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a “substantial user” of the facilities financed with the proceeds of the Bonds or a “related person,” and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; *however*, interest on the Bonds is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Issuer, the Borrower and others in connection with the Bonds, and Bond Counsel has assumed compliance by the Issuer and the Borrower with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in the paragraph above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds.

### **Certain Ongoing Federal Tax Requirements and Covenants**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Issuer and the Borrower have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

### **Low Income Set Aside Requirements under the Code**

The Bonds are subject to the low income set aside and other requirements for qualified residential rental projects under the Code which are described briefly in this subsection. The Code requires that at least 95% of the net proceeds of exempt facility bonds under Section 142(a)(7) (after reduction for amounts applied to fund a reasonably required reserve fund) be used to provide “qualified residential rental projects.” The Code defines a residential rental project as a project containing units with separate and complete facilities for living, sleeping, eating, cooking, and sanitation that are available to the general public and are to be used on other than a transient basis. Section 142(d) of the Code requires that either (i) at least 20% of the completed units in a project to be financed with the proceeds of the Bonds be continuously occupied during the “qualified project period” by individuals and families whose annual adjusted income does not exceed 50% of the area median income (with adjustments for family size), or (ii) at least 40% of the completed units in a project to be financed with the proceeds of the Bonds be continuously occupied during the qualified project period by individuals and families whose annual adjusted income does not exceed 60% of the area median income (with adjustments for family size). The Issuer and the Borrower will make an election as to the applicable low income set aside requirement with respect to the Development prior to the issuance of the Bonds. In addition, all of the units in the project must be rented or available for rental on a continuous basis throughout the

applicable qualified project period. The Code defines the “qualified project period” as the period beginning on the first day upon which 10% of the units in a project are occupied and ending on the latest of (i) the date that is 15 years after the date upon which 50% of the residential units in such project are occupied, (ii) the first day on which no tax-exempt private activity bond issued with respect to the project is outstanding, or (iii) the date upon which any assistance provided with respect to the project under Section 8 of the National Housing Act terminates. Generally, upon an increase of a tenant’s income over 140% of the applicable income limitation, the next available unit of comparable or smaller size in a project must be rented to a tenant whose income does not exceed the applicable income limitation. The Code requires annual certifications to be made to the Secretary of the Treasury regarding compliance with the applicable income limitations.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral federal income tax matters with respect to the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### **Bond Premium**

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

## **West Virginia Taxes**

In the opinion of Jackson Kelly PLLC, General Counsel to the Issuer, under the Act, the Bonds and the income therefrom shall at all times be exempt from taxation by the State, or any county, municipality or other governmental subdivision of the State, except for death and gift taxes, taxes on transfers, sales taxes, real property taxes and business and occupation taxes and as otherwise set forth herein. The State also imposes a corporation net income tax on corporations and a personal income tax on the resident partners of partnerships, the resident shareholders of S corporations and the resident members of limited liability companies doing business in the State. The corporation net income and personal income tax statutes contain formulary adjustments decreasing the amount of income subject to these taxes for certain corporations, partnerships, S corporations or limited liability companies owning bonds such as the Bonds.

## **Miscellaneous**

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 or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

## **UNDERWRITING**

Pursuant and subject to the terms and conditions set forth in the Bond Purchase Agreement (the "Bond Purchase Agreement"), among Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the Issuer and the Borrower, the Underwriter has agreed to purchase the Bonds at the price set forth on the cover page hereof. For its services relating to the transaction, the Underwriter will receive a fee of \$\_\_\_\_\_ plus \$\_\_\_\_\_, payable in immediately available funds on the Closing Date, from which the Underwriter shall pay certain fees and expenses relating to the issuance of the Bonds[, plus an additional amount of \$\_\_\_\_\_ (the "Underwriter's Advance") for initial deposits established under the Indenture]. The Underwriter's fee shall not include the fee of its counsel. [The Borrower will reimburse the Underwriter for the Underwriter's Advance on or before the Closing Date.]

The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will purchase all the Bonds, if any are purchased. Pursuant to the Bond Purchase Agreement, the Borrower has agreed to indemnify the Underwriter and the Issuer against certain civil liabilities, including liabilities under federal securities laws. It is intended that the Bonds will be offered to the public initially at the offering prices set forth on the cover page hereof and that such offering prices subsequently may change without any requirement of prior notice. The Underwriter may offer the Bonds to other dealers at prices lower than those offered to the public.

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

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include securities sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and/or the Borrower and to persons and entities with relationships



with the Issuer and/or the Borrower, for which they received or will receive customary fees and expenses. The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Issuer and/or the Borrower (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Issuer and/or the Borrower.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer.

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; conflicts of interest could arise.

## **RATING**

Moody's Investors Service, Inc. ("Moody's") has assigned the Bonds the rating set forth on the cover page hereof. An explanation of the significance of such rating may be obtained from Moody's. The rating of the Bonds reflects only the views of Moody's at the time such rating was given, and none of the Issuer, the Borrower or the Underwriter makes any representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## **UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

Prior to 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 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 (although Holders will have any available remedy at law or in equity for obtaining necessary disclosures). 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. The Issuer has no obligations under the Continuing Disclosure Agreement.

## **CERTAIN LEGAL MATTERS**

Certain legal matters relating to the authorization and validity of the Bonds will be subject to an approving opinion of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Borrower by its counsels, Downs Pham & Kuei LLP, San Francisco, California, and Spilman Thomas and Battle, PLLC, Morgantown, West Virginia, for the Issuer by its counsel, Jackson Kelly PLLC, Charleston, West Virginia, and for the Underwriter by its counsel, 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**

On the date of issuance of the Bonds, the Issuer will certify that, to the best of its knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body pending or threatened in any court in any way seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged thereto, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Bond Resolution, the Loan Agreement, the Bond Regulatory Agreement, or the Bond Purchase Agreement, or contesting the powers of the Issuer, with respect to the Bonds, the Indenture, the Bond Resolution, the Loan Agreement, the Bond Regulatory Agreement, the Bond Purchase Agreement or any action on the part of the Issuer contemplated by any of said documents.

### **The Borrower**

On the date of issuance of the Bonds, the Borrower will certify that, to the best of its knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body pending or threatened in any court in any way seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of revenues pledged or to be pledged thereto, or in any way contesting or affecting the validity or enforceability of the Loan Agreement, the Note, the Bond Regulatory Agreement, the Extended Use Agreement, the Continuing Disclosure Agreement or the Bond Purchase Agreement, or contesting the powers of the Borrower with respect to the Loan Agreement, the Note, the Bond Regulatory Agreement, the Extended Use Agreement, the Continuing Disclosure Agreement or the Bond Purchase Agreement or any action on the part of the Borrower contemplated by any of said documents.

## **ADDITIONAL INFORMATION**

The summaries and explanation of, or references to, the Act, the Indenture, the Loan Agreement, the Bond Regulatory Agreement, 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 this 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.

[Signature pages to follow]

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

**WEST VIRGINIA HOUSING DEVELOPMENT FUND**

By: \_\_\_\_\_  
Nathan E. Testman  
Interim Executive Director

[Signatures continue on next page]

[Borrower Signature Page to Official Statement]

**HIGHLAWN TC SENIOR APARTMENTS, LP,**  
a West Virginia limited partnership

By: Highlawn TC GP, LLC,  
a West Virginia limited liability company  
Its: General Partner

By: GLTC Partners, LLC,  
a North Dakota limited liability company  
Its: Managing Member

By: California Commercial Investment Brokerage, Inc.,  
a California corporation  
Its: Managing Member

By: \_\_\_\_\_  
Danielle Hastie  
Vice President

## 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 Article 18 of Chapter 31 of the Code of West Virginia, 1931, as amended.

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

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

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

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

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

**“Authorized Denomination”** means \$5,000, or any integral multiple of \$1,000 in excess thereof.

**“Authorized Officer”** means the Chair, Interim Executive Director and each Deputy Director of the Issuer and any other officer or employee of the Issuer designated by certificate of any of the foregoing as authorized by the Issuer to perform a specified act, sign a specified document or otherwise take action with respect to the Bonds. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Officer is an Authorized Officer until such time as such provider files with it a written certificate identifying a different person or persons to act in such capacity.

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

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

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

**“Bond Counsel”** means Hawkins Delafield & Wood LLP, or other counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes.

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

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

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

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

**“Bond Purchase Agreement”** means the Bond Purchase Agreement, dated January \_\_\_, 2026, among the Underwriter, the Issuer and the Borrower.

**“Bond Regulatory Agreement”** means the Regulatory Agreement relating to the Project, effective the Closing Date, among the Issuer, the Trustee and the Borrower, as hereafter amended, modified, supplemented or restated from time to time to the extent permitted in the Indenture and which by its terms shall be filed in the official land records of the State on the Closing Date with respect to which the covenants contained therein shall run with the land.

**“Bond Resolution”** means the resolution relating to the issuance and sale of the Bonds, adopted by the Issuer on September 24, 2025.

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

**“Bonds”** means the Multifamily Housing Revenue Bonds, Series 2026 (Highlawn Place) of the Issuer authorized in the Bond Resolution and the Indenture in the aggregate principal amount of \$16,600,000\*.

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

**“Borrower”** means Highlawn TC Senior Apartments, LP, a West Virginia limited partnership.

**“Borrower Documents”** means the Financing Documents and the Non-Bond Loan Documents to which the Borrower is a party.

**“Bridge Lender”** means Bridgewater Bank, a Minnesota state banking corporation, in its capacity as maker of the Bridge Loan.

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\* Preliminary; subject to change.

**“Bridge Loan”** means the loan made by the Bridge Lender to the Borrower in the aggregate principal amount of \$7,500,000\*.

**“Bridge Loan Documents”** means the Bridge Note, the Bridge Pledges and all other documents required by the Bridge Lender in connection with the Bridge Loan.

**“Bridge Note”** means the promissory note from the Borrower to the Bridge Lender which sets forth the Borrower’s obligation to pay the Bridge Loan.

**“Bridge Pledges”** means collectively, the Pledge and Security Agreement (Borrower) provided by the Borrower for the benefit of the Bridge Lender and the Pledge and Security Agreement (General Partner) provided by the General Partner for the benefit of the Bridge Lender securing the Bridge Note.

**“Business Day”** means a day (a) that is not a Saturday or a Sunday or a day on which (i) banking institutions in the City of New York or in the city in which the principal office of the Trustee, Tender Agent or Remarketing Agent is located or authorized or obligated by law or executive order to be closed or (ii) The New York Stock Exchange is closed and (b) on which the United States Government makes payments of principal and interest on its Treasury obligations.

**“Cash Flow Projection”** means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing, to the satisfaction of the Rating Agency, the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period plus (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Service Charges 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) a proposed remarketing of the Bonds as provided in the Indenture, (iii) the purchase, sale or exchange of Eligible Investments as provided in the Indenture, (iv) a release of Eligible Funds from the Negative Arbitrage Account of the Bond Fund, and (v) the optional redemption of the Bonds as provided in the Indenture, including in the event that the Trustee intends to sell or otherwise dispose of Eligible Investments prior to maturity at a price below par.

**“Chair”** means the person serving as Chair of the Issuer.

**“Closing Date”** means January \_\_\_, 2026.

**“Code”** means the Internal Revenue Code of 1986, as amended.

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

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

**“Continuing Disclosure Agreement”** means the Continuing Disclosure Agreement dated as of January 1, 2026, between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Costs of Issuance”** means the “issuance costs” with respect to the Bonds within the meaning of Section 147(g) of the Code.

**“Depository”** means, with respect to the Bonds, DTC, until a successor Depository shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, Depository shall mean the successor Depository. Any Depository shall be a securities depository that is a clearing agency under a federal law operating and maintaining,

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\* Preliminary; subject to change.

with its participants or otherwise, a Book-Entry System to record ownership of book-entry interests in Bonds or Bond Service Charges thereon, and to effect transfers of book-entry interests in Bonds.

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

**“Determination of Taxability”** means the receipt by the Trustee of (a) a copy of written notice from the Commissioner or any District Director of the Internal Revenue Service or a determination by any court of competent jurisdiction, or (b) an Opinion of Bond Counsel, in either case to the effect that interest on the Bonds is not excludable for regular federal income tax purpose under Section 103(a) of the Code from gross income of any Holders of the Bonds (other than a Holder who is a substantial user of the Project or a related person as defined in the Code).

**“Dissemination Agent”** means Zions Bancorporation, National Association, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

**“Dissemination Agent Fee”** means the fee payable to the Dissemination Agent as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement; provided, however, the amount of the Dissemination Agent Fee payable under the Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Dissemination Agent Fee pursuant to the Loan Agreement.

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

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

- (a) the proceeds of the Bonds (including any additional amount paid by the Underwriter to the Trustee as the purchase price of the Bonds);
- (b) moneys drawn on a letter of credit;
- (c) moneys received by the Trustee solely for deposit in the Collateral Fund, which moneys shall become Eligible Funds only upon such deposit, representing Non-Bond Loan proceeds from the Non-Bond Loan Fund (for the avoidance of doubt, moneys in the Non-Bond Loan Fund shall not constitute Eligible Funds while such moneys remain in the Non-Bond Loan Fund);
- (d) remarketing proceeds of the Bonds (including any additional amount paid by the Remarketing Agent to the Trustee as the remarketing price of the Bonds) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, or any Affiliate of either the Borrower or the Issuer);
- (e) any other amounts, including the proceeds of refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (f) any payments made by the Borrower and held by the Trustee for a continuous period of 123 days, provided that no Act of Bankruptcy has occurred during such period; and



(g) investment income derived from the investment of the moneys described in (a) through (f) above; which all such Eligible Funds are eligible for deposit into the Collateral Fund in accordance with the Indenture.

**“Eligible Investments”** means, subject to the provisions of the Indenture, any of the following obligations which 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 applicable terms of the Indenture; *provided, however*, that notwithstanding anything to the contrary in the Indenture or elsewhere, Eligible Investments shall be limited to securities in which funds of the Issuer are permitted to be invested as set forth in subsection (8) of Section 6 of the Act as then in effect:

(a) Government Obligations; and

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

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

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

**“Extended Use Agreement”** means the Regulatory and Restrictive Covenants for Land Use Agreement related to the Project, entered into in accordance with Section 42(h)(6)(B) of the Code and effective on the Closing Date, between the Issuer and the Borrower.

**“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.

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

**“Extraordinary Services”** and **“Extraordinary Expenses”** mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Issuer under the Indenture or the other Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default. Notwithstanding the foregoing, the Trustee shall be entitled to charge for Extraordinary Services and Extraordinary Expenses only upon the occurrence of certain Events of Default as set forth in the Indenture or in the event the Trustee initiates action to cause certain Events of Default as set forth in the Indenture.

**“Federal Tax Status”** means, as to the Bonds, the status of the interest on the Bonds as excludible from gross income for federal income tax purposes of the Holders of the Bonds (except on Bonds while held by a substantial user or related person, each as defined in the Code).

**“Financing Documents”** means the Indenture, the Bonds, the Loan Agreement, the Note, the Tax Certificate and Agreement, the Bond Regulatory Agreement, the Extended Use Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any other instrument or document executed in

connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof, but excluding the Non-Bond Loan Documents.

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

**“General Partner”** means Highlawn TC GP, LLC, a West Virginia limited liability company.

**“Government”** shall mean the government of the United States of America, the government of any other nation, any political subdivision of the United States of America or any other nation (including, without limitation, any state, territory, federal district, municipality or possession) and any department, agency or instrumentality thereof; and **“Governmental”** shall mean of, by, or pertaining to any Government.

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

**“Highest Rating Category”** means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category provided that such rating shall include but not be below “Aa1” or “Aa1/VMIG-1” if rated by Moody’s or “AA+” or “A-1+” if rated by S&P.

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

**“HOME Lender”** means the Issuer in its capacity as maker of the HOME Loan.

**“HOME Loan”** means a loan in the principal amount of \$800,000\* that the Project will utilize.

**“HOME Loan Documents”** means the HOME Mortgage, the HOME Mortgage Note and all other documents required by the HOME Lender in connection with the HOME Loan.

**“HOME Mortgage”** means the subordinate mortgage securing the HOME Note.

**“HOME Note”** means the promissory note from the Borrower to the HOME Lender which sets forth the Borrower’s obligation to pay the HOME Loan.

**“HTF Lender”** means the Issuer in its capacity as maker of the HTF Loan.

**“HTF Loan”** means a loan in the principal amount of \$3,386,285\* that the Project will utilize.

**“HTF Loan Documents”** means the HTF Mortgage, the HTF Mortgage Note and all other documents required by the HTF Lender in connection with the HTF Loan.

**“HTF Mortgage”** means the subordinate mortgage securing the HTF Note.

**“HTF Note”** means the promissory note from the Borrower to the HTF Lender which sets forth the Borrower’s obligation to pay the HTF Loan.

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\* Preliminary; subject to change.

**“HUD”** means the United States Department of Housing and Urban Development.

**“Indenture”** means the Trust Indenture, dated as of January 1, 2026, between the Issuer and the Trustee, as amended or supplemented from time to time.

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

**“Initial Borrower Deposit”** means the deposit of Eligible Funds on the Closing Date by the Borrower to the Negative Arbitrage Account of the Bond Fund in the amount specified in the Indenture.

**“Initial Interest Rate”** means \_\_\_\_%.

**“Initial Mandatory Tender Date”** means February 1, 2028\*.

**“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.

**“Interest Payment Date”** means (a) February 1 and August 1 of each year beginning August 1, 2026\*, (b) each Redemption Date, (c) each Mandatory Tender Date, (d) the Maturity Date and (e) the date of acceleration of the Bonds. In the case of payment of defaulted interest, “Interest Payment Date” also means the date of such payment established pursuant to the Indenture.

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

**“Interest Rate for Advances”** means the rate per annum which is two percent plus that interest rate announced by the Trustee in its lending capacity as a bank as its “Prime Rate” or its “Base Rate.”

**“Interim Executive Director”** means the person serving as Interim Executive Director of the Issuer.

**“Investor Limited Partner”** means Garnet LIHTC Fund XX, LLC, a Delaware limited liability company, and its successors and assigns.

**“Issuer”** means the West Virginia Housing Development Fund, a public body corporate and governmental instrumentality of the State, and its successors and assigns.

**“Issuer Fees and Expenses”** means, collectively, the Ordinary Issuer Fees and the Extraordinary Issuer Fees and Expenses.

**“Loan Agreement”** means the Loan Agreement dated as of even date with the Indenture, between the Issuer and the Borrower and assigned by the Issuer, except for Reserved Rights, to the Trustee, as amended or supplemented from time to time.

**“Local Time”** means Eastern time (daylight or standard, as applicable).

**“Mandatory Tender”** means a tender of Bonds as required by the Indenture.

**“Mandatory Tender Date”** means the latest of (a) the Initial Mandatory Tender Date and (b) if the Bonds Outstanding on such date or on any subsequent Mandatory Tender Date are remarketed pursuant to the Indenture for

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\* Preliminary; subject to change.

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 November 1, 2028\*.

**“MLP Lender”** means the Issuer in its capacity as maker of the MLP Loan.

**“MLP Loan”** means a loan from the MLP Lender to the Borrower in the principal amount of \$13,113,715\*.

**“MLP Loan Documents”** means the MLP Mortgage, the MLP Note and all other documents required by the MLP Lender in connection with the MLP Loan.

**“MLP Mortgage”** means the Credit Line Deed of Trust, Security Agreement and Fixture Filing made in connection with the MLP Loan by the Borrower for the benefit of the MLP Lender, effective as of the Closing Date.

**“MLP Note”** means the promissory note effective as of the Closing Date made by the Borrower in favor of the MLP Lender in connection with the MLP Loan.

**“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 of the Bond Fund created in the Indenture.

**“Non-Bond Lender”** means the Issuer, in its capacity as the HOME Lender, the HTF Lender and/or the MLP Lender, and Bridgewater Bank, in its capacity as the Bridge Lender, as applicable.

**“Non-Bond Loan”** means, as applicable, the Bridge Loan, the HOME Loan, the HTF Loan and/or the MLP Loan.

**“Non-Bond Loan Documents”** means, as applicable, the Bridge Loan Documents, the HOME Loan Documents, the HTF Loan Documents and/or the MLP Loan Documents.

**“Non-Bond Loan Fund”** means the Non-Bond Loan Fund created in the Indenture.

**“Note”** means the promissory note of the Borrower, dated as of even date with the Bonds initially issued, in the form attached to the Loan Agreement as an exhibit and in the principal amount of \$16,600,000\* evidencing the obligation of the Borrower to make Bond Loan Payments.

**“Opinion of Bond Counsel”** means an opinion of Bond Counsel.

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

**“Ordinary Issuer Fees”** means the origination fee of the Issuer in the amount equal to \$41,500\* payable on the Closing Date by the Borrower to the Issuer from the Costs of Issuance Fund, if funded, or from equity funds of the Borrower, but not from the Project Fund or the Bond Fund; provided, however, that such fee does not include amounts due, if any, for Extraordinary Issuer Fees and Expenses; and provided further, however, the amount of Ordinary Issuer Fees payable under the Indenture is limited to moneys withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Issuer Fees pursuant to the Loan Agreement.

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

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\* Preliminary; subject to change.

**“Ordinary Trustee Fees and Expenses”** means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance at closing and on each anniversary of the Closing Date, in an amount equal to \$4,000 per year; a Remarketing Fee of \$1,000 per remarketing, a Dissemination Agent Fee of \$1,000 per year; and a one-time Acceptance and Set-Up Fee of \$5,000; provided, however, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to moneys withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to the Loan Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid as provided in the Indenture or directly by the Borrower pursuant to the Loan Agreement.

**“Organizational Documents”** means the Amended and Restated Limited Partnership Agreement, as may be amended from time to time.

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

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

**“Person”** or words importing persons mean firms, associations, partnerships (including without limitation, general and limited partnerships), joint ventures, societies, estates, trusts, corporations, limited liability companies, public or governmental bodies, other legal entities and natural persons.

**“Plans and Specifications”** means the plans and specifications describing the Project as now prepared and as they may be changed as provided in the Loan Agreement.

**“Predecessor Bond”** of any particular Bond means every previous Bond evidencing all or a portion of the same debt as that evidenced by the particular Bond. For the purposes of this definition, any Bond authenticated and delivered under the Indenture in lieu of a lost, stolen or destroyed Bond shall, except as otherwise provided in the Indenture, be deemed to evidence the same debt as the lost, stolen or destroyed Bond.

**“Project”** means the rehabilitation and equipping of a multifamily residential rental housing development to be known as Highlawn Place Senior Apartments, consisting of approximately 133 units located at 1130 Third Avenue, Huntington, West Virginia; the development will be occupied by persons of low or moderate income in compliance with Section 142(d) of the Code.

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

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

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

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

**“Rebate Amount”** means the amount required to be rebated to the United States pursuant to Section 148 of the Code.

**“Rebate Analyst”** means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and retained by the Borrower to make the computations and give the directions required pursuant to the Tax Certificate and Agreement. Initially, the Rebate Analyst will be Hawkins Delafield & Wood LLP.

**“Rebate Analyst Fee”** means a fee paid or payable to the Rebate Analyst for each rebate calculation pursuant to the Tax Certificate and Agreement.

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

**“Redemption Date”** means any date upon which Bonds are to be redeemed, including (a) the Maturity Date, (b) the date of acceleration of the Bonds and (c) pursuant to the Indenture.

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

**“Regular Record Date”** means, with respect to any Bond, the fifth Business Day preceding each Interest Payment Date.

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

**“Remarketing Agent Fee”** means the fee of the Remarketing Agent for its remarketing services.

**“Remarketing Agreement”** means the Remarketing Agreement, dated as of January 1, 2026, 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 Expenses”** means the costs and expenses incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees and other costs and expenses incurred in connection with or properly attributable to the remarketing of Bonds as certified to the Trustee by the Remarketing Agent in writing.

**“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 final Maturity Date of the Bonds, as applicable.

**“Reserved Rights”** of the Issuer means (a) the right of the Issuer to amounts payable to it pursuant to the Indenture and the Loan Agreement, (b) all rights that the Issuer or its officers, directors, agents or employees may have under the Indenture and the Financing 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, agents or employees; (c) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals under the Indenture and under the other Financing Documents; (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 of the Issuer, and set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower; (e) all rights of the Issuer to give or withhold consent to amendments, changes, modifications and alterations to the Indenture, the other Financing Documents and such other matters where, under the Indenture or any Financing Document, the Issuer’s consent or approval is required; and (f) all enforcement remedies with respect to the foregoing. The foregoing rights are retained and are not assigned to the Trustee pursuant to the Indenture.

**“Revenues”** means (a) the Bond Loan Payments, (b) Eligible Funds received by the Trustee, (c) all other moneys received or to be received by the Trustee in respect of repayment of the Bond Loan, including without limitation, all moneys and investments in the Bond Fund, (d) any moneys and investments in the Project Fund and the Collateral Fund, and (e) all income and profit from the investment of the foregoing moneys. The term “Revenues” does not include any moneys or investments in the Rebate Fund, the Expense Fund, the Non-Bond Loan Fund or the Costs of Issuance Fund.

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

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

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

**“State”** means the State of West Virginia.

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

**“Tax Certificate and Agreement”** means the Tax Certificate and Agreement, made and executed by the Issuer and the Borrower in connection with the Bonds, dated the Closing Date, including IRS Form 8038, an Issue Price Certificate of the Underwriter and other exhibits and attachments.

**“Tendered Bond”** means any Bond which has been tendered for purchase pursuant to a Mandatory Tender.

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

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

**“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.

**“WVHDF”** means the Issuer.

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## **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**

The following funds and accounts will be established and maintained by the Trustee under the Indenture:

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

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in the Indenture; provided the Rebate Fund, the Expense Fund, the Non-Bond Loan Fund and the Costs of Issuance Fund shall not be part of the Trust Estate and shall not be subject to the lien and pledge of the Indenture. All money deposited in the funds and accounts created under the Indenture shall be used solely for the purposes set forth in the Indenture. The Trustee shall keep and maintain adequate records pertaining to each fund and account, and all disbursements therefrom, in accordance with its general practices and procedures in effect from time to time. The Trustee may also terminate funds and accounts that are no longer needed; provided, the Trustee shall not terminate the Non-Bond Loan Fund without the express written direction from the Non-Bond Lender.

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

#### **Bond Fund**

On the Closing Date, there shall be deposited in the Negative Arbitrage Account of the Bond Fund the initial deposit amount provided in the Indenture. Any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date will also be deposited in the Negative Arbitrage Account.

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Bond Loan Payments, all Bond Loan Payments under the Loan Agreement shall be paid on or before each Interest Payment

Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the interest and the principal due on the Bonds on such Bond Payment Date.

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

Bond Service Charges shall be payable, as they become due, (a) in the first instance from the money on deposit in the Bond Fund (other than the Negative Arbitrage Account within the Bond Fund), (b) next from money on deposit in the Negative Arbitrage Account within the Bond Fund, (c) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (d) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

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

### Project Fund

Upon the deposit of Eligible Funds in the Collateral Fund as provided in the Indenture, the Trustee shall unconditionally and immediately upon receipt of the Eligible Funds disburse the Bond proceeds on deposit in the Project Fund with the prior written approval of the Non-Bond Lender for use by the Borrower to pay Project Costs in accordance with the Loan Agreement and upon satisfaction of the conditions specified therein. The Trustee shall disburse funds from the Project Fund in accordance with the Loan Agreement on the same Business Day that it receives the Eligible Funds in the event (i) the Trustee receives the fully-signed and completed disbursement request prior to such Business Day and (ii) the Trustee receives the Eligible Funds with respect to such disbursement request prior to 2:30 PM Local Time on such Business Day. If the Trustee receives the Eligible Funds after 2:30 PM Local Time, the disbursement shall be made on the next succeeding Business Day. Notwithstanding any provisions to the contrary, upon satisfaction of the conditions set forth in the Loan Agreement, the Trustee shall be unconditionally and irrevocably obligated to disburse funds from the Project Fund with the prior written approval of the Non-Bond Lender. The Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund and all of the conditions set forth in the Loan Agreement are met. In accordance with the Loan Agreement, and prior to making any disbursement, 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; provided, however, to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is hereby authorized to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and (ii) transfer a like amount of Eligible Funds on deposit in the Collateral Fund to the Project Fund, in exchange for an allocation of a like amount of Eligible Investments held therein.

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 and 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.

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

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

### Collateral Fund

The Trustee shall deposit in the Collateral Fund all Eligible Funds received pursuant to the Loan Agreement and any other Eligible Funds received by the Trustee at the written direction of the Borrower. Pursuant to the Indenture and the Loan Agreement, the Borrower shall cause the applicable Non-Bond Lender to deliver a requisition to the Trustee to transfer certain Non-Bond Loan proceeds from the Non-Bond Loan Fund to the Collateral Fund in a principal amount equal to, and as 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 Project Costs.

Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions of the Indenture; provided, however, if for any reason the Trustee is not able to disburse a corresponding amount of Bond proceeds from the Project Fund immediately following receipt of Non-Bond Loan proceeds from the Non-Bond Loan Fund for deposit into the Collateral Fund, the Trustee shall promptly transfer such Non-Bond Loan proceeds back to the applicable Non-Bond Loan Fund and not deposit the same into the Collateral Fund, and shall notify the Borrower and the applicable Non-Bond Lender.

The Trustee shall transfer money in the Collateral Fund as follows: (i) on the 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 or the Maturity Date of the Bonds, 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.

On any Redemption Date, the Trustee will transfer funds held in the Collateral Fund into the Bond Fund to pay Bond Service Charges on the Bonds.

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

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

### Expense Fund

The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, upon receipt of written instructions from the Borrower, in the following order of priority:

- (a) to transfer money to the Rebate Fund to the extent necessary to pay the Rebate Amount (if any) when due pursuant to the Indenture;
- (b) to pay the Ordinary Trustee Fees and Expenses when due;
- (c) to pay the Dissemination Agent Fee when due;
- (d) to pay the Ordinary Issuer Fees when due;
- (e) to pay the Issuer Fees and Expenses not previously paid; and
- (f) to pay the Remarketing Expenses when due.

To the extent moneys in the Expense Fund are not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to the Loan Agreement promptly upon written demand.

Notwithstanding anything to the contrary stated in the Indenture, the Expense Fund and the moneys deposited therein shall not be part of the Trust Estate and shall not be subject to the lien and pledge of the Indenture.

#### Non-Bond Loan Fund

From time to time on or after the Closing Date, Non-Bond Loan proceeds shall be deposited in the Non-Bond Loan Fund by or on behalf of the Non-Bond Lender and such amounts shall be held, transferred or transmitted per the written instructions of the Non-Bond Lender utilizing the requisition form attached to the Indenture as an exhibit. To the extent set forth in such requisition form, funds on deposit in the Non-Bond Loan Fund may be transferred to the Collateral Fund in the amounts and at such times as may be necessary to allow the Trustee to disburse funds from the Project Fund upon the Trustee's receipt of a request for disbursement from the Borrower. To the extent set forth in such requisition form, funds on deposit in the Non-Bond Loan Fund representing Non-Bond Loan proceeds in excess of the amount of Bond proceeds deposited into the Project Fund on the Closing Date may be disbursed to the Borrower for the payment of Project Costs not payable from proceeds of the Bonds. To the extent set forth in such requisition form, the Trustee shall wire to the applicable Non-Bond Lender any amounts in the Non-Bond Loan Fund requested by the applicable Non-Bond Lender. The Trustee shall, at the written direction of the applicable Non-Bond Lender, establish within the Non-Bond Loan Fund a HOME Loan Account, an HTF Loan Account, an MLP Loan Account and a Bridge Loan Account; should such Accounts be so established, payments into and disbursements from the Non-Bond Loan Fund shall specify the Account into which such payment will be made, or from which such disbursement will be made, as applicable. Notwithstanding anything to the contrary stated in the Indenture, the Non-Bond Loan Fund and the moneys deposited therein shall not be a part of the Trust Estate and shall not be subject to the lien and pledge of the Indenture.

#### Investment of Special Funds, Rebate Fund and Non-Bond Loan Fund

Except as otherwise set forth in the Indenture, moneys in the Special Funds and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Authorized Borrower Representative.

In the absence of instructions from the Authorized Borrower Representative regarding investment of moneys in the Special Funds and the Rebate Fund, the Trustee shall invest solely in Eligible Investments.

Moneys in the Non-Bond Loan Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the applicable Non-Bond Lender. In the absence of instructions from the applicable Non-Bond Lender regarding investments of moneys in the Non-Bond Loan Fund, the Trustee shall invest solely in Eligible Investments.

Except as provided in the following paragraph, investments of money in the Special Funds shall be invested and reinvested (i) at the written direction of the Authorized Borrower Representative in Government Obligations that mature or are redeemable at the option of the Trustee at par no later than 30 days from the date of investment or (ii) in the absence of instructions from the Authorized Borrower Representative, the Trustee shall invest solely in Eligible Investments.

At no time shall the Authorized Borrower Representative 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. Investments of moneys in the Bond Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Each investment of moneys in a Project Fund shall mature or be redeemable without penalty at such time as may be necessary to make payments from the Project Fund, including on each Interest Payment Date. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an authenticating agent or a paying agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Special Funds to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity, 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. An investment made from moneys credited to the Special

Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund shall be credited to the Negative Arbitrage Account of the Bond Fund. All investment earnings from amounts on deposit in the Collateral Fund shall be credited to the Negative Arbitrage Account of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Special Funds shall be credited to and become part of the Bond Fund. Except as may be otherwise expressly provided under the Indenture, with respect to any investment made from moneys credited to any fund or account under the Indenture (i) all gains or losses resulting from the sale thereof shall be credited to or charged against such fund or account and (ii) any income or earnings thereon shall be retained in and constitute part of such fund or account.

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

Ratings of Eligible Investments shall be determined at the time of purchase of such Eligible Investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. 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 hereby 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 Authorized Borrower Representative's written instructions as to both the suitability and legality of the directed investments. Following the Closing Date, at the written direction of the Borrower with written notice from the Borrower to the Issuer, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection delivered to the Trustee and the Issuer.

Notwithstanding the foregoing, except as set forth above with respect to the Non-Bond Loan Fund, any moneys held under the Indenture without the written direction of the Authorized Borrower Representative shall be invested in Eligible Investments; provided, however, that (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the Initial Borrower Deposit shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

#### Money to be Held in Trust

Except where money has been deposited with or paid to the Trustee pursuant to an instrument restricting their application to particular Bonds, all money required or permitted to be deposited with or paid to the Trustee under any provision of the Indenture or the Note, and any investments thereof, shall be held by the Trustee in trust (for the avoidance of doubt, money in the Non-Bond Loan Fund, shall be held in trust for the applicable Non-Bond Lender as long as such money remains in the Non-Bond Loan Fund). Except for money held by the Trustee in the Costs of Issuance Fund, the Expense Fund, the Non-Bond Loan Fund and the Rebate Fund under the Indenture, all money described in the preceding sentence held by the Trustee shall be subject to the lien and pledge of the Indenture while so held.

The money in any fund or account established under the Indenture shall be subject to the unclaimed property laws of the State.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Special Funds and all deposits and disbursements therefrom. The Trustee shall satisfy this obligation by providing monthly statements for all periods in which there are funds in the Special Funds to the Borrower and the Investor Limited Partner.

### Defaults; Events of Default

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) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable;
- (b) Payment of the principal of any Bond shall not be made when and as that principal shall become due and payable, whether at stated maturity, upon acceleration or otherwise;
- (c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Borrower and the Investor Limited Partner specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding; and
- (d) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

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

### Notice of Default

If an Event of Default shall occur, the Trustee shall give written notice of the Event of Default, by registered or certified mail, to the Issuer, the Borrower, the Investor Limited Partner, the Rating Agency and the Remarketing Agent, within five (5) days after the Trustee has notice of the Event of Default pursuant to the Indenture. If an Event of Default occurs of which the Trustee has notice pursuant to the Indenture, the Trustee shall give written notice thereof, within thirty (30) days after the Trustee’s receipt of notice of its occurrence, to the Holders of all Bonds then Outstanding as shown by the Register at the close of business fifteen (15) days prior to the mailing of that notice; provided, that except in the case of a default in the payment of the principal of or interest on any Bond, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors or responsible officers of the Trustee in good faith determine that the withholding of notice to the Holders is in the interests of the Holders.

### Acceleration

Upon the occurrence of an Event of Default described in (a) or (b) under the heading “Defaults; Events of Default” above, the Trustee may declare, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding the Trustee shall declare, by a notice in writing delivered to the Borrower and the Investor Limited Partner, the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Upon the occurrence of any Event of Default other than those described in (a) or (b) under the heading “Defaults; Events of Default” above, the Trustee shall, with the written consent of all Holders of Bonds then Outstanding, declare by a notice in writing delivered to the Borrower and the Investor Limited Partner, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Following such declaration, interest on any unpaid principal of Bonds Outstanding shall continue to accrue from such date through but not including the tender of payment to the Holders of those Bonds.

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

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

(b) all existing Events of Default shall have been cured, then and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

The Investor Limited Partner shall be entitled to cure any Event of Default under the Indenture within the timeframe provided to the Borrower under the Indenture. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

#### Other Remedies; Rights of Holders

With or without taking action under the heading “Acceleration” above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Loan Agreement, the Bond Regulatory Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least 25% in aggregate principal amount of Bonds Outstanding, the Trustee (subject to the provisions of the Indenture) shall exercise any rights and powers conferred by the Indenture as described above.

No remedy conferred upon or reserved to the Trustee (or to the Holders) by the Indenture is intended to be exclusive of any other remedy. Subject to the provisions of the Indenture, each remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Holders now or hereafter existing.

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

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

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

### Right of Holders to Direct Proceedings

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

### Application of Money

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all Ordinary Trustee Fees and Expenses and fees of the Trustee for Extraordinary Services and Extraordinary Expenses (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this heading), all money received by the Trustee (except for such moneys then on deposit in the Non-Bond Loan Fund, which are not part of the Trust Estate and which are free and clear of any lien under the Indenture), shall be applied as follows, subject to the Indenture:

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

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

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

(b) If the principal of all of the Bonds shall have become due or shall have been declared to be due and payable pursuant to the Indenture, all of such money shall be deposited into the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to the Indenture, and if that declaration thereafter shall have been rescinded and annulled, subject to the provisions of the preceding paragraph, in the event that the principal of all of the Bonds shall become due and payable later, the money shall be deposited in the Bond Fund and shall be applied as directed in the Indenture.

(d) Whenever money is to be applied pursuant to the provisions of this heading, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of money available for application and the likelihood of additional money becoming available for



application in the future. Whenever the Trustee shall direct the application of such money, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the money is available therefor. The Trustee shall give notice of the deposit with it of any money and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

#### Remedies Vested in Trustee

All rights of action (including without limitation, the right to file proof of claims) under the Indenture or under any of the Bonds 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 or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the Outstanding Bonds, subject to the provisions of the Indenture.

#### Rights and Remedies of Holders

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

- (a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture, or of which it is deemed to have notice under that paragraph,
- (b) the Holders of at least 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee, and
- (c) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name.

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

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

#### Termination of Proceedings

In case the Trustee shall have proceeded to enforce any remedy, right or power under the Indenture in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Issuer, the Trustee and the Holders 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 if no suit, action or proceedings had been taken.

### Waivers of Events of Default

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

- (a) at least a majority in aggregate principal amount of all Bonds then Outstanding in respect of which an Event of Default in the payment of Bond Service Charges exists, or
- (b) at least 25% in aggregate principal amount of all Bonds then Outstanding, in the case of any other Event of Default.

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

### Supplemental Indentures Not Requiring Consent of Holders

Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into indentures supplemental to the Indenture which shall not, in the opinion of the Issuer and the Trustee, be inconsistent with the terms and provisions of the Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To assign additional revenues under the Indenture;
- (d) To accept additional security and instruments and documents of further assurance with respect to the Project;
- (e) To add to the covenants, agreements and obligations of the Issuer under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture;
- (f) To evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Loan Agreement and the Bonds;
- (g) To facilitate (i) the transfer of Bonds issued by the Issuer under the Indenture and held in Book Entry Form from one Depository to another and the succession of Depositories, or (ii) the withdrawal of Bonds issued by the Issuer under the Indenture and delivered to a Depository for use in a Book Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a Depository;
- (h) To permit the Trustee to comply with any obligations imposed upon it by law;
- (i) To specify further the duties and responsibilities of the Trustee;

(j) To achieve compliance of the Indenture with any applicable federal securities or tax law;

(k) To make amendments to the provisions hereof relating to arbitrage matters under Section 148 of the Code, if, in the Opinion of Bond Counsel, those amendments would not adversely affect the Federal Tax Status of the Bonds which amendments may, among other things, change the responsibility for making the relevant calculations, provided that in no event shall such amendment delegate to the Trustee, without its consent, in its sole discretion the obligation to make or perform the calculations required under Section 148 of the Code; and

(l) To permit any other amendment that, in the judgment of the Trustee, is not to the prejudice of the Issuer, the Trustee or the Holders.

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

#### Supplemental Indentures Requiring Consent of Holders

Exclusive of Supplemental Indentures to which reference is made under the heading “Supplemental Indentures Not Requiring Consent of Holders” above and subject to the terms, provisions and limitations contained in this heading, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in the Indenture, and with the consent of the Borrower if required, the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in this heading shall permit, however, or be construed as permitting:

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

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

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

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

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as

being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

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

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

#### Consent of Borrower

Anything contained in the Indenture to the contrary notwithstanding, a Supplemental Indenture executed and delivered in accordance with the Indenture which affects in any material respect any rights or obligations of the Borrower shall not become effective unless and until the Borrower and the Investor Limited Partner shall have consented in writing to the execution and delivery of that Supplemental Indenture. The Trustee shall cause notice of the proposed execution and delivery of any Supplemental Indenture and a copy of the proposed Supplemental Indenture to be mailed to the Borrower and the Investor Limited Partner, as provided in the Indenture, (a) at least 30 days (unless waived by the Borrower and the Investor Limited Partner) before the date of the proposed execution and delivery in the case of a Supplemental Indenture to which reference is made in the Indenture, and (b) at least 30 days (unless waived by the Borrower and the Investor Limited Partner) before the giving of the notice of the proposed execution and delivery in the case of a Supplemental Indenture for which provision is made in the Indenture.

#### Opinion of Counsel

Before the Trustee shall enter into any Supplemental Indenture, there shall have been delivered to the Trustee and the Issuer an Opinion of Counsel to the effect that (a) any proposed Supplemental Indenture is authorized or permitted by the provisions of the Indenture and is not inconsistent with the Indenture, and (b) it is proper for the Trustee to join in the execution of that Supplemental Indenture under the provisions of the Indenture.

Before the Issuer and the Trustee shall enter into any Supplemental Indenture, there shall have been delivered to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that such Supplemental Indenture will not, in and of itself, adversely affect the Federal Tax Status of the Bonds.

The Trustee may conclusively rely upon an Opinion of Counsel that an amendment to the Indenture effected pursuant to the Indenture is not to the prejudice of the Trustee or the Holders.

#### Modification by Unanimous Consent

Notwithstanding anything contained elsewhere in the Indenture, the rights and obligations of the Issuer and of the Holders, and the terms and provisions of the Bonds and the Indenture or any Supplemental Indenture, may be modified or altered in any respect with the consent of (a) the Issuer, (b) the Holders of all of the Bonds then Outstanding, (c) the Borrower and the Investor Limited Partner and (d) if such modification or alteration contains provisions adverse to the Trustee, the Trustee.

### Release of Indenture

If (a) the Issuer shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (b) provision also shall be made for the payment of all other sums payable under the Indenture or under the Loan Agreement, the Bond Regulatory Agreement and the Note, then the Indenture shall cease, terminate and become null and void (except for those provisions surviving as described below in the event the Bonds are deemed paid and discharged as described below), and the covenants, agreements and obligations of the Issuer under the Indenture shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of the Indenture described below, if applicable:

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

(b) the Trustee shall release and satisfy the Note and deliver such release and satisfaction to the Borrower; and

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

### Payment and Discharge of Bonds

All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture, including without limitation the heading “Release of Indenture” above, if:

(a) the Trustee as paying agent shall have received, in trust for and irrevocably committed thereto, sufficient money, or

(b) the Trustee shall have received in trust for and irrevocably committed thereto, noncallable Government Obligations; and the Trustee and the Issuer shall have received (i) certification by an Independent public accounting firm of national reputation to the effect that the Government Obligations have such maturities or redemption dates and interest payment dates, and bear such interest, as will be sufficient together with any money to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment of all Bond Service Charges on those Bonds at their maturity; and (ii) an Opinion of Bond Counsel to the effect that the conditions of this heading have been satisfied.

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

If any Bonds shall be deemed paid and discharged pursuant to this section, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers

of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to subparagraph (b) of the first paragraph of this heading.

#### Survival of Certain Provisions

Notwithstanding the foregoing, any provisions of the Bond Resolution and the Indenture which relate to the maturity of Bonds, interest payments and dates thereof, exchange, transfer and registration of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, nonpresentment of Bonds, the holding of money in trust, and repayments to the Borrower from the Bond Fund, the rebate of money to the United States in accordance with the Indenture, and the rights and duties of the Trustee in connection with all of the foregoing, shall remain in effect and be binding upon the Trustee and the Holders notwithstanding the release and discharge of the Indenture. The provisions of this section shall survive the release, discharge and satisfaction of the Indenture. The obligations of the Borrower to pay the Trustee its fees and expenses Indenture shall survive the release, discharge and satisfaction of the Indenture.

#### Covenants and Agreements of the Issuer

In addition to any other covenants and agreements of the Issuer contained in the Indenture or the Bond Resolution, the Issuer further covenants and agrees with the Holders and the Trustee as follows:

(a) Payment of Bond Service Charges. The Issuer will cause all Bond Service Charges to be paid solely from the sources provided in the Indenture, on the dates, at the places and in the manner provided in the Indenture.

(b) Revenues and Assignment of Revenues. The Issuer will not assign the Revenues or create or authorize to be created any debt, lien or charge thereon, other than the assignment thereof under the Indenture.

(c) Recordings and Filings. To the extent possible under applicable law, as in effect in the jurisdiction in which the Trust Estate is located, the Issuer shall cooperate with the Trustee to maintain the priority of the security interest in the Indenture created in the Trust Estate as a first lien thereon, and warrant, protect, preserve and defend its interest in the Trust Estate and the security interest of the Trustee therein and all rights of the Trustee under the Indenture against all actions, proceedings, claims and demands of all Persons, all paid for solely from the Trust Estate.

(d) Inspection of Project Books. All books, instruments and documents in the Issuer's possession relating to the Project and the Revenues shall be open to inspection and copying at all times during the Issuer's regular business hours by any accountants or other agents of the Trustee which the Trustee may designate from time to time.

(e) Register. At reasonable times and under reasonable regulations established by the Trustee, the Register may be inspected and copied (at the expense of the person making such copies) by the Borrower, the Trustee, by Holders of 25% or more in principal amount of the Bonds then Outstanding, or a designated representative thereof.

(f) Rights and Enforcement of the Loan Agreement. The Trustee may enforce, in its name or in the name of the Issuer, all rights of the Issuer for and on behalf of the Holders, except for Reserved Rights, and may enforce all covenants, agreements and obligations of the Borrower under and pursuant to the Loan Agreement, regardless of whether the Issuer is in default in the pursuit or enforcement of those rights, covenants, agreements or obligations. The Issuer, however, will do all things and take all actions on its part necessary to comply with covenants, agreements, obligations, duties and responsibilities on its part to be observed or performed under the Loan Agreement, and will take all actions within its authority to keep the Loan Agreement in effect in accordance with the terms thereof.

(g) Issuer Not to Adversely Affect Federal Tax Status of Bonds. The Issuer covenants that it (i) will take, or require to be taken, all actions that may be reasonably required of the Issuer to maintain the Federal Tax Status of the Bonds, and (ii) will not take or authorize to be taken any actions that would adversely affect the Federal Tax Status of the Bonds under the provisions of the Code.

#### Observance and Performance of Covenants, Agreements, Authority and Actions

The Issuer will observe and perform faithfully at all times all covenants, agreements, authority, actions, undertakings, stipulations and provisions to be observed or performed on its part under the Bond Resolution, the Issuer Documents and the Bonds which are executed, authenticated and delivered under the Indenture.

The Issuer represents:

(a) It is duly authorized by the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds, to execute and deliver the Issuer Documents and to provide the security for payment of the Bond Service Charges in the manner and to the extent set forth in the Indenture.

(b) All actions required on its part to be performed for the issuance, sale and delivery of the Bonds and for the execution and delivery of the Issuer Documents have been taken duly and effectively.

(c) The Bonds will be valid and enforceable limited obligations of the Issuer according to their terms.

#### Enforcement of Issuer's Obligations

Each obligation of the Issuer required to be undertaken pursuant to the Bond Resolution, the Issuer Documents and the Bonds is binding upon the Issuer, subject to the Indenture.

#### Amendments Not Requiring Consent of Holders

Without the consent of or notice to the Holders, the Issuer, the Borrower, the Investor Limited Partner and the Trustee may consent to any amendment, change or modification of the Loan Agreement or the Note, as may be required (a) by the provisions of the Note or the Loan Agreement, (b) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Loan Agreement or the Note, (c) in connection with an amendment or to effect any purpose for which there could be an amendment of the Indenture pursuant to the Indenture, or (d) in connection with any other change in the Indenture which is not to the prejudice of the Issuer, the Trustee or the Holders of the Bonds, in the judgment of the Trustee.

#### Amendments Requiring Consent of Holders

Except for the amendments, changes or modifications contemplated in the Indenture, neither the Issuer nor the Trustee shall consent to:

(a) any amendment, change or modification of the Loan Agreement or the Note which would change the amount or time as of which Bond Loan Payments and Eligible Funds are required to be paid, without the giving of notice as provided in the Indenture of the proposed amendment, change or modification and receipt of the written consent thereto of the Holders of all of the then Outstanding Bonds affected by such amendment, change or modification, or

(b) any other amendment, change or modification of the Loan Agreement or the Note, without the giving of notice as provided in the Indenture of the proposed amendment, change or modification and receipt of the written consent thereto of the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected by such amendment, change or modification.

The consent of the Holders shall be obtained as provided in the Indenture with respect to Supplemental Indentures.

If the Issuer or the Borrower shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Loan Agreement or the Note contemplated in the Indenture, upon being indemnified satisfactorily with respect to expenses, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by the Indenture with respect to notice of Supplemental Indentures. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that copies of the instrument or document embodying it are on file at the Designated Office of the Trustee for inspection by all Holders.

#### Opinion of Bond Counsel

Before the Issuer and the Trustee shall consent to any amendment, change or modification of any of the documents described in the Indenture there shall be delivered to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that such amendment, change or modification will not, in and of itself, adversely affect the Federal Tax Status of the Bonds.

#### Responsibilities of the Trustee

Notwithstanding anything else contained in the Indenture, the Trustee shall not be required to enter into any amendment, change, or modification of any of the documents described in the Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or any other Financing Document.

#### Opinion of Counsel

Before the Trustee shall consent to any amendment, change or modification of any of the documents described in the Indenture there shall be delivered to the Trustee and the Issuer an Opinion of Counsel that (a) any proposed amendment, change, or modification of any of the documents described in the Indenture complies with the provisions of the Indenture, and (b) it is proper for the Trustee to join in the execution of that amendment, change, or modification under the provisions of the Indenture.

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## **APPENDIX C**

### **SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT**

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

#### **The Bond Loan**

The Issuer agrees, upon the terms and conditions of the Loan Agreement, to make the Bond Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to fund the Bond Loan shall be deemed fully discharged, and the principal amount of the Bonds shall be deemed fully advanced to the Borrower under the Note, upon the deposit of the proceeds of the Bonds with the Trustee. The Bond Loan shall be evidenced by the Note payable to the Trustee.

#### **Non-Bond Loan**

To provide and secure funds for the repayment of the Bond Loan, and to provide for the delivery of certain Eligible Funds, the Borrower shall simultaneously with the execution and delivery hereof, proceed with obtaining the Bridge Loan from the Bridge Lender. In particular, the Borrower will promptly take all necessary actions on its part to close the Bridge Loan and to satisfy the requirements of the Bridge Lender.

The Borrower represents that the Bridge Loan will be in an original principal amount set forth in the Loan Agreement. The Bridge Loan will be secured on a non-recourse basis pursuant to the Bridge Loan Documents.

The Bridge Lender shall deliver to the Trustee from time to time, on or after the Closing Date, Bridge Loan proceeds in an aggregate principal amount set forth in the Loan Agreement for deposit to the Non-Bond Loan Fund. Such proceeds shall be transferred from the Non-Bond Loan Fund to the Collateral Fund in installments as set forth in the Indenture and in the Loan Agreement to enable the Trustee to disburse Bond proceeds from the Project Fund as approved by the Bridge Lender in connection with completed and fully-executed disbursement requests in the form attached to the Loan Agreement as an exhibit.

To provide and secure funds for the repayment of the Bond Loan, and to provide for the delivery of certain Eligible Funds, the Borrower shall simultaneously with the execution and delivery of the Loan Agreement, proceed with obtaining the HOME Loan from the HOME Lender. In particular, the Borrower will promptly take all necessary actions on its part to close the HOME Loan and to satisfy the requirements of the HOME Lender.

The Borrower represents that the HOME Loan will be in an original principal amount as set forth in the Loan Agreement. The HOME Loan will be secured on a non-recourse basis pursuant to the HOME Loan Documents.

The HOME Lender shall deliver to the Trustee from time to time, on or after the Closing Date the HOME Loan proceeds in an aggregate principal amount set forth in the Loan Agreement for deposit into the Non-Bond Loan Fund. Such proceeds shall be transferred from the Non-Bond Loan Fund to the Collateral Fund in installments as set forth in the Indenture and in the Loan Agreement to enable the Trustee to disburse Bond proceeds from the Project Fund as approved by the HOME Lender in connection with completed and fully-executed disbursement requests in the form attached to the Loan Agreement as an exhibit.

To provide and secure funds for the repayment of the Bond Loan, and to provide for the delivery of certain Eligible Funds, the Borrower shall simultaneously with the execution and delivery of the Loan Agreement, proceed with obtaining the HTF Loan from the HTF Lender. In particular, the Borrower will promptly take all necessary actions on its part to close the HTF Loan and to satisfy the requirements of the HTF Lender.

The Borrower represents that the HTF Loan will be in an original principal amount set forth in the Loan Agreement. The HTF Loan will be secured on a non-recourse basis pursuant to the HTF Loan Documents.

The HTF Lender shall deliver to the Trustee from time to time, on or after the Closing Date, HTF Loan proceeds in an aggregate principal amount set forth in the Loan Agreement for deposit to the Non-Bond Loan Fund. Such proceeds shall be transferred from the Non-Bond Loan Fund to the Collateral Fund in installments as set forth in the Indenture and the Loan Agreement to enable the Trustee to disburse Bond proceeds from the Project Fund as approved by the HTF Lender in connection with completed and fully-executed disbursement requests in the form attached to the Loan Agreement as an exhibit.

To provide and secure funds for the repayment of the Bond Loan, and to provide for the delivery of certain Eligible Funds, the Borrower shall simultaneously with the execution and delivery of the Loan Agreement, proceed with obtaining the MLP Loan from the MLP Lender. In particular, the Borrower will promptly take all necessary actions on its part to close the MLP Loan and to satisfy the requirements of the MLP Lender.

The Borrower represents that the MLP Loan will be in an original principal amount set forth in the Loan Agreement. The MLP Loan will be secured on a non-recourse basis pursuant to the MLP Loan Documents.

The MLP Lender shall deliver to the Trustee from time to time, on or after the Closing Date, MLP Loan proceeds in an aggregate principal amount set forth in the Loan Agreement for deposit to the Non-Bond Loan Fund. Such proceeds shall be transferred from the Non-Bond Loan Fund to the Collateral Fund in installments as set forth in the Indenture and the Loan Agreement to enable the Trustee to disburse Bond proceeds from the Project Fund as approved by the MLP Lender in connection with completed and fully-executed disbursement requests in the form attached to the Loan Agreement as an exhibit.

#### Disbursements from the Project Fund

Subject to the provisions below, disbursements from the Project Fund shall be made only to pay any of the following Project Costs:

- (a) Costs incurred directly or indirectly for or in connection with the acquisition, rehabilitation, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work.
- (b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the rehabilitation period with respect to the Project.
- (c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the rehabilitation period.
- (d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.
- (e) Subject to the limitations set forth in the Tax Certificate and Agreement, Costs of Issuance of the Bonds, including, financial, legal, accounting, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under the Indenture that may become due and payable during the construction period.
- (f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, rehabilitation, improvement and equipping of the Project.
- (g) Payment of interest on the Bonds.

(h) Payments to the Rebate Fund.

Any disbursement from the Project Fund for the payment of Project Costs shall be made by the Trustee only upon the satisfaction of all of the following conditions:

(i) The receipt by the Trustee of notice and instruction of a completed disbursement request (a “Disbursement Request”) in the form attached to the Loan Agreement as an exhibit, signed by an Authorized Borrower Representative and approved by the Non-Bond Lender, providing the amount of the disbursement request (a “Disbursement Amount”) and the expected date of disbursement (a “Disbursement Date”).

(ii) Promptly upon receipt of a completed and fully-executed Disbursement Request, the Trustee will confirm in writing to the Non-Bond Lender (A) the Disbursement Amount, (B) that the account balance of the Non-Bond Loan Fund is at least equal to the Disbursement Amount, (C) that the account balance of the Collateral Fund plus the account balance of the Project Fund will be at least equal to the then-outstanding principal amount of the Bonds after such disbursement and after effecting the related transfer from the Non-Bond Loan Fund to the Collateral Fund in accordance with the Indenture and (D) whether the Trustee has actual knowledge that an Event of Default (as determined in accordance with the Indenture) or a Determination of Taxability has occurred. If an Event of Default or a Determination of Taxability has occurred to the knowledge of the Trustee, the Trustee shall make no further disbursements from the Project Fund so long as such Event of Default or Determination of Taxability continues to exist except in accordance with the Indenture.

(iii) Upon the receipt of confirmation from the Trustee of the matters described in clause (ii) above, the Non-Bond Lender will deliver to the Trustee the requisition form in the form attached to the Indenture as an exhibit, for the transfer by the Trustee of certain moneys in the Non-Bond Loan Fund to the Collateral Fund in the amount of the Disbursement Amount as indicated in the related Disbursement Request, in order to enable the Trustee to disburse funds from the Project Fund on the expected Disbursement Date.

(iv) Upon the receipt by the Trustee of such requisition form from the Non-Bond Lender, the Trustee shall in accordance with such requisition form transfer funds from the Non-Bond Loan Fund to the Collateral Fund in an amount equal to the Disbursement Amount as indicated in the related Disbursement Request as provided in the Loan Agreement. In the event that the amount of Eligible Funds received by the Trustee (in the aggregate or individually if indicated to be funded from more than one source in the Disbursement Request) does not equal the total amount of the Disbursement Request, the Trustee shall promptly return the amounts representing Non-Bond Loan proceeds to the Non-Bond Loan Fund and any such other Eligible Funds to the fund(s) or account(s) from which they came, and inform the Borrower and the Non-Bond Lender of such inadequacy of funds so that the Borrower can resubmit or correct the applicable Disbursement Request(s).

(v) Upon satisfaction of the conditions set forth in clauses (i) through (iv) above, the Trustee shall be unconditionally and irrevocably obligated to disburse funds from the Project Fund in accordance with the Disbursement Request. If any conditions are not met, Non-Bond Loan proceeds must be transferred back to the Non-Bond Loan Fund. The Trustee shall disburse funds from the Project Fund in accordance with the instructions contained in the Disbursement Request (A) on the same Business Day that it receives Eligible Funds in the Collateral Fund provided the Trustee receives Eligible Funds in the Collateral Fund with respect to such Disbursement Request prior to 2:30 PM Local Time on such Business Day or (B) on the next succeeding Business Day if the Trustee receives Eligible Funds in the Collateral Fund after 2:30 PM Local Time. If for any reason the Trustee is not able to disburse a corresponding amount of Bond proceeds from the Project Fund immediately following receipt in the Collateral Fund of Non-Bond Loan proceeds transferred from the Non-Bond Loan Fund, the Trustee shall promptly transfer such Non-Bond Loan proceeds back to the Non-Bond Loan Fund.

(vi) The Borrower acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered. Proceeds of the Bonds disbursed pursuant to the provisions of the Loan Agreement

may only be used to pay those Project Costs identified in the Sources and Uses of Funds attached as an exhibit to the Loan Agreement, as it may be amended pursuant to the agreement of the Non-Bond Lender and the Borrower.

The Borrower's right to request disbursements from the Project Fund is limited to the amount of proceeds of the Bonds therein deposited.

The Borrower agrees that it will not request disbursement for any item not described in, or the cost for which item is other than as described in, the notice of public hearing pertaining to the Bonds unless the Borrower provides to the Non-Bond Lender with a copy to the Trustee and the Issuer, an Opinion of Bond Counsel to the effect that such disbursement will not adversely affect the Federal Tax Status of the Bonds.

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

Notwithstanding any provision of the Loan Agreement or any provision of the Indenture to the contrary, the Trustee shall not disburse funds from the Project Fund unless and until the Trustee confirms that the account balance of the Collateral Fund plus the account balance of the Project Fund, less the amount of the requested disbursement from the Project Fund, is at least equal to then-outstanding principal amount of the Bonds.

#### Borrower Required to Pay Costs in Event Project Fund Insufficient

If money in the Project Fund is not sufficient to pay all Project Costs, the Borrower, nonetheless, will complete the Project in accordance with the Plans and Specifications and shall pay all such additional Project Costs from its own funds. The Borrower shall pay all Costs of Issuance of the Bonds in excess of the amount permitted by the Tax Certificate and Agreement. The Borrower shall not be entitled to any reimbursement for any such additional Project Costs or payment of Costs of Issuance from the Issuer, the Trustee or any Holder; nor shall it be entitled to any abatement, diminution or postponement of any Bond Loan Payments or other amounts to be paid under the Loan Agreement.

#### Completion Date

The Borrower shall notify the Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form attached to the Loan Agreement as an exhibit. The Completion Certificate shall be delivered as promptly as practicable after the occurrence of the events and conditions referred to in paragraphs (a), (b) and (d) of the Completion Certificate and an accountant's determination has been made that certain representations contained in the Loan Agreement are true and correct.

#### Bond Loan Repayment; Delivery of Note

In consideration of and in repayment of the Bond Loan, the Borrower shall deliver or cause to be delivered to the Trustee, on or before each Bond Payment Date, Bond Loan Payments, equal to the amount necessary to pay interest due on and principal of the Bonds due on such Bond Payment Date. All such Bond Loan Payments shall be paid to the Trustee in accordance with the terms of the Note for the account of the Issuer and shall be held and disbursed in accordance with the provisions of the Indenture and the Loan Agreement.

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

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

The Note shall secure equally and ratably all Outstanding Bonds, except that, so long as no Event of Default has occurred and is continuing under the Loan Agreement, payments by the Borrower on the Note shall be used by the Trustee to make a like payment of Bond Service Charges and shall constitute Bond Loan Payments.

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any or all Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (a) the Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Note shall be surrendered by the Trustee to the Borrower, and shall be canceled by the Borrower, or (b) an appropriate notation shall be endorsed thereon evidencing the date and amount of the principal payment (or prepayment) equal to the Bonds so paid, or with respect to which provision for payment has been made, and that Note shall be surrendered by the Trustee to the Borrower for cancellation if all Bonds shall have been paid (or provision made therefor) and canceled as aforesaid. Unless the Borrower is entitled to a credit under express terms of the Loan Agreement or the Note, all payments on the Note shall be in the full amount required thereunder.

#### Eligible Funds to Trustee

In consideration of and as a condition to the disbursement of Bond proceeds from the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Bond Loan Payments, \$24,800,000\* of Non-Bond Loan proceeds shall be transferred from the Non-Bond Loan Fund to the Collateral Fund in installments as set forth in the Indenture to enable the Trustee to disburse the amount of the proposed disbursements from the Project Fund. All amounts in the Non-Bond Loan Fund and the Collateral Fund shall be transferred or disbursed, as applicable, in accordance with the provisions of the Indenture. Upon the receipt of Eligible Funds in the Collateral Fund and the satisfaction of the other conditions set forth in the Loan Agreement, the Trustee shall be unconditionally and irrevocably obligated to disburse an equal amount of funds from the Project Fund at the request of the Borrower and subject to the approval of the Non-Bond Lender as provided in the Loan Agreement. In no event may funds held in the Collateral Fund, or funds held in the Non-Bond Loan Fund representing \$24,800,000\* of Non-Bond Loan proceeds, be used to pay Project Costs; funds in the Non-Bond Loan Fund representing Non-Bond Loan proceeds in excess of \$24,800,000\* may be transferred to the Borrower in accordance with the Indenture for the payment by the Borrower of Project Costs not payable from proceeds of the Bonds.

#### Bond Fund and Collateral Fund

The Borrower and the Issuer have acknowledged that any interest of either the Borrower or the Issuer in the Bond Fund or the Collateral Fund and any money deposited therein is subordinate to the interest of the Holders therein.

#### Additional Payments

The Borrower shall pay as Additional Payments under the Loan Agreement the following (*provided* that Additional Payments shall not be paid from the Special Funds):

- (a) Whether out of the proceeds of the Non-Bond Loan (but subject to the applicable Non-Bond Loan Documents), or other funds, all Costs of Issuance of the Bonds and all expenses incurred in closing the Non-Bond Loan.
- (b) All Extension Payments and other sums required under the Indenture in order to revise or extend the Mandatory Tender Date or remarket the Bonds, and the Borrower further agrees to execute any and all certificates required by the Issuer, the Trustee or the Remarketing Agent in order to effectuate such revision, extension or remarketing.
- (c) To the Trustee, (i) the Ordinary Trustee Fees and Expenses and (ii) amounts due to the Trustee for Extraordinary Services and Extraordinary Expenses, in each case, to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor.

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\* Preliminary; subject to change.

(d) To the Issuer (i) the Ordinary Issuer Fees and (ii) the Extraordinary Issuer Fees and Expenses, in each case to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor.

(e) All costs of printing any replacement Bonds required to be issued under the Indenture to the extent such costs are not paid by the Holders.

(f) To the extent not paid by the Trustee from the Expense Fund, all of the fees and expenses of the Rebate Analyst (including, but not limited to, the Rebate Analyst Fee) and any other necessary consultant employed by the Borrower, the Trustee or the Issuer in connection with any of the requirements imposed by the Indenture and the Tax Certificate and Agreement to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor. The Borrower shall provide or cause to be provided all information and money (including money necessary to make deposits to the Rebate Fund required by the Indenture and the Tax Certificate and Agreement and the fees and expenses of the Rebate Analyst to the extent available moneys in the Bond Fund under the Indenture are inadequate to pay such amounts) to the Trustee and the Rebate Analyst to enable the Trustee and the Rebate Analyst to comply with the Indenture and the Tax Certificate and Agreement.

(g) To the Dissemination Agent, the Dissemination Agent Fee to the extent the funds available in the Expense Fund are not sufficient and available therefor, as well as any other costs and expenses in order to provide for compliance with the terms of the Continuing Disclosure Agreement.

(h) To the Remarketing Agent, the Remarketing Agent Fee and any Remarketing Expenses.

In the event the Borrower is in default under any provision of any of the Borrower Documents beyond all applicable notice and cure periods, if any, the Borrower shall be liable to, and upon demand shall pay to, the Issuer, the Trustee and the Non-Bond Lender all reasonable fees and disbursements of such persons and their agents (including reasonable attorneys' fees and expenses) which are reasonably connected therewith or incidental thereto except to the extent such fees and disbursements are paid from money available therefor under the Indenture.

To provide for certain of the anticipated Additional Payments, the Borrower agrees to cause Eligible Funds to be deposited into the Expense Fund and the Costs of Issuance Fund the amounts required under the Indenture, and authorizes the Trustee to pay, from money on deposit in the Costs of Issuance Fund and the Expense Fund, the amounts provided to be paid from the Costs of Issuance Fund or the Expense Fund in accordance with the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable.

Upon the payment, prepayment, or incurrence of any such cost, expense, or liability described in this section by any such party, the Additional Payments in respect thereof shall be payable promptly upon written demand to the Borrower, which demand shall be accompanied by invoices or other appropriate documentation concerning the nature, amount and incurrence of such cost, expense or liability. If the Additional Payments payable under this section are not paid promptly upon such demand, such Additional Payments shall bear interest from the date of such payment or the incurrence thereof at the Interest Rate for Advances until the amount due shall have been fully paid.

The obligations of the Borrower under this section shall survive the termination of the Loan Agreement and the payment and performance of all of the other obligations of the Borrower under the Loan Agreement and the other Borrower Documents, including the Tax Certificate and Agreement.

#### Assignment of Agreement and Revenues; Trustee is Third Party Beneficiary

To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, its rights under and interest in the Loan Agreement (except for the Reserved Rights). The Borrower hereby agrees and consents to those assignments. The Issuer shall not attempt to further assign, transfer or convey its interest in the Revenues or this Agreement or create any pledge or lien of any form or nature with respect to the Revenues, Bond Loan Payments or Eligible Funds hereunder.

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

Borrower to Maintain its Existence; Sale of Project

The Borrower shall maintain its existence, not dissolve or sell, transfer or otherwise dispose of all or substantially all of its assets and not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that it may do so if the surviving, resulting or transferee entity is other than the Borrower, it assumes in writing all of the obligations of the Borrower under the Borrower Documents and it has a net worth equal to or greater than that of the Borrower immediately prior to such consolidation, merger, sale or transfer. The Borrower shall not permit one or more other entities to consolidate with or merge into it; or take any action or allow any action to be taken to terminate the existence of the Borrower except as provided in the Loan Agreement.

No sale, assignment or transfer of title to the Project, except as may be otherwise required by the Issuer or the Non-Bond Lender, shall be made unless (a) the Issuer and the Non-Bond Lender consent to such assignment or transfer, (b) the transferee or assignee, as the case may be, assumes all the duties of the Borrower under the Borrower Documents, provided that such assumption may contain an exculpation of the assignee from personal liability with respect to any obligation under the Loan Agreement, except the Borrower's obligation to indemnify the Issuer and the Trustee and reimburse the Issuer and the Trustee for the fees and expenses of the Issuer and the Trustee, respectively, and (c) no Event of Default as certified in writing to the Issuer and the Trustee by the Borrower shall have occurred and be continuing under the Indenture or the Loan Agreement. Each of the Issuer and the Trustee shall consent to any such assignment or transfer if (i) the Non-Bond Lender notifies it in writing that the aforesaid condition (a) is satisfied, (ii) the Issuer and the Trustee receive an Opinion of Bond Counsel, at the expense of the Borrower, to the effect that such transfer or assignment would not adversely affect the Federal Tax Status of the Bonds, and (iii) the Issuer and the Trustee receive written confirmation from the Rating Agency that such transfer or assignment will not result in a withdrawal or reduction in any rating on the Outstanding Bonds by the Rating Agency (if the Bonds are then rated by the Rating Agency). Upon the assumption of the duties of the Borrower by an assignee as provided in the Loan Agreement, the outgoing Borrower shall be released from all executory obligations so assumed; provided, however, the Borrower shall not be released from its obligation to pay or reimburse the fees and expenses of the Issuer and the Trustee and to indemnify the Trustee and the Issuer without the express written consent of the Trustee and the Issuer, as applicable, which consent shall not be unreasonably withheld, conditioned or delayed. Nothing contained in the Loan Agreement shall be construed to supersede any provisions regarding assignment and transfer of the Project contained in the Non-Bond Loan Documents.

Notwithstanding anything to the contrary contained in the Loan Agreement or in any other Borrower Document, and subject to the consent of the Issuer as required by the Non-Bond Loan Documents, the following shall be permitted and shall not require the prior written approval of Issuer or Trustee, (a) the transfer by Investor Limited Partner of its interest in Borrower in accordance with the terms of Borrower's Organizational Documents, (b) the removal of the general partner of Borrower in accordance with the Organizational Documents and the replacement thereof with Investor Limited Partner or any of its affiliates or an entity under common control with Investor Limited Partner, (c) the transfer of ownership interests in Investor Limited Partner, (d) upon the expiration of the tax credit compliance period, the transfer of the interests of Investor Limited Partner in Borrower to Borrower's general partner or any of its affiliates, (e) any amendment to the Organizational Documents to memorialize the transfers or removal described above, and (f) any transfers of indirect or direct ownership interests in the general partner of the Borrower, to the extent that the control of the Borrower does not change as a result thereof. The parties agree that the Loan Agreement shall control to the extent of any conflict in any Borrower Documents.

Optional Prepayment

Provided no Event of Default shall have occurred and be continuing, the Borrower may deliver money to the Trustee in addition to Bond Loan Payments or Additional Payments required to be made as a prepayment, in whole or in part, of the Bond Loan and direct the Trustee to use the money so delivered for the purpose of purchasing Bonds, in accordance with the Indenture. Pending application for those purposes, any money so delivered shall be held by the Trustee in a special account in the Bond Fund and delivery of such money shall not operate to abate or postpone Bond Loan Payments or Additional Payments otherwise becoming due or to alter or suspend any other obligations of the Borrower under the Loan Agreement.

### 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 Collateral Fund, the Negative Arbitrage Account of the Bond Fund and the Project Fund as provided in the Indenture 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 or the Issuer, or both, to meet all Bond Loan Payments and Additional Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed, or, with respect to Additional Payments to become due, provisions satisfactory to the Trustee and the Issuer are made for paying such amounts as they come due. Such option shall be exercised by the Authorized Borrower Representative, on behalf of the Borrower, giving the Issuer and the Trustee five 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.

### Events of Default

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

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

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

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

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



(e) There shall occur an “Event of Default” (as defined in the Indenture) by the Borrower or an event of default beyond the applicable notice and cure periods under the Bond Regulatory Agreement.

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

The term “Force Majeure” shall mean, without limitation, the following:

(1) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; pandemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or

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

The declaration of an Event of Default under subsection (c) above, and the exercise of remedies upon any such declaration, shall be subject to any applicable limitations of federal bankruptcy law affecting or precluding that declaration or exercise during the pendency of or immediately following any bankruptcy, liquidation or reorganization proceedings.

#### Remedies on Default

Whenever an Event of Default shall have happened and be subsisting, any one or more of the following remedial steps may be taken:

(a) If acceleration of the principal amount of the Bonds has been declared pursuant to the Indenture, the Trustee shall declare all Bond Loan Payments to be due and payable together until any other amounts payable by the Borrower under the Loan Agreement and the Note whereupon the same shall become immediately due and payable;

(b) The Trustee may exercise any or all or any combination of the remedies specified in the Loan Agreement or any other Financing Document;

(c) The Issuer or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower pertaining to the Project; or

(d) The Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Loan Agreement and the Bond Regulatory Agreement and the Note or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

Notwithstanding the foregoing, neither the Issuer nor the Trustee shall be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Issuer or the Trustee at no cost or expense to the Issuer or the Trustee. Any amounts collected as Bond Loan Payments or applicable to Bond Loan Payment and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture or, if the Outstanding Bonds have

been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in the Indenture for transfers of remaining amounts in the Bond Fund.

The provisions of this section are subject to the further limitation that the rescission by the Trustee of its declaration that all of the Bonds are immediately due and payable also shall constitute an annulment of any corresponding declaration made pursuant to paragraph (a) of this section and a waiver and rescission of the consequences of that declaration and of the Event of Default with respect to which that declaration has been made, provided that no such waiver or rescission shall extend to or affect any subsequent or other default or impair any right consequent thereon.

#### No Remedy Exclusive

No remedy conferred upon or reserved to the Issuer or the Trustee by the Loan Agreement 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, the Bond Regulatory Agreement or the Note, 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 or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in the Loan Agreement.

#### No Waiver

No failure by the Issuer or the Trustee to insist upon the strict performance by the Borrower of any provision of the Loan Agreement shall constitute a waiver of their right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the Borrower to observe or comply with any provision of the Loan Agreement.

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## **APPENDIX D**

### **SUMMARY OF CERTAIN PROVISIONS OF THE BOND REGULATORY AGREEMENT**

*The following is a brief summary of certain provisions of the Bond Regulatory Agreement. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture and the Bond Regulatory Agreement. The following summary does not purport to be complete or definitive and is subject to all the terms and provisions of the Bond Regulatory Agreement, to which reference is hereby made and copies of which are available from the Trustee.*

#### **Occupancy Qualifications Based on Income**

**Limited, Special Obligation Bonds — Program Restrictions.** Not less than forty percent (40%) of the units (excluding units for resident managers and maintenance personnel, if any) in the Development shall be occupied or held available for occupancy on a continuous basis by individuals or families whose incomes do not exceed the sixty percent (60%) of area median gross income limit with respect to projects financed pursuant to Section 142(d) (the “Section 142(d) 60% Limit”) of the Internal Revenue Code of 1986, as amended (the “Code”). For purposes of the Borrower satisfying the foregoing requirement, the income of individuals and families and median gross income shall be determined in a manner consistent with determinations of lower income families and median gross income as determined by the U.S. Department of Housing and Urban Development (and any successor agency) (“HUD”) under Section 8 of the United States Housing Act of 1937, as amended (the “Section 8 Program;” and, if the Section 8 Program is terminated, under the Section 8 Program regulations as in effect immediately before termination) (with adjustments for family size), except that the percentage of median gross income which qualifies as low or moderate income shall be sixty percent (60%).

These occupancy qualifications shall remain in effect for the Development for the longer of (i) so long as any of the Bonds remain outstanding or (ii) the Qualified Project Period (as defined in the Bond Regulatory Agreement). With respect to the occupancy of the units, household income shall be determined pursuant to regulations to be issued by the Secretary of the Treasury, in a manner consistent with determinations of lower income families and area median gross income under the Section 8 Program. Until the Secretary of the Treasury publishes these regulations, the income of individuals shall be determined in accordance with the Section 8 Program regulations.

**General Compliance.** Notwithstanding any other provision of the Bond Regulatory Agreement, the Borrower covenants and agrees that it shall operate the Development in such a manner so as to comply with (i) the Act and the rules and regulations of the Issuer, (ii) all provisions of the Code that may affect the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code and (iii) any other provisions of federal, state or local law or regulation that may be applicable to the Development, including any applicable income and occupancy restrictions and the certain provisions of the Loan Agreement.

**Determination of Eligibility.** The Borrower shall be responsible for the determination of eligibility of persons and families and for the selection from among those determined to be eligible, and shall further be responsible for assuring that tenants have certified total household income and size and student status of each tenant to the Borrower, on forms prescribed or approved by the Issuer. The Borrower must obtain written evidence substantiating the information given on all certifications of income and will retain such evidence in its files for the period prescribed by the Bond Regulatory Agreement. The Borrower must make a determination at least annually on the basis of each tenant’s then-current income and family size. The Borrower shall furnish to the Issuer, on an annual basis or more frequently if required in writing by the Issuer in order to ensure compliance with the Bond Regulatory Agreement, a certification by the Borrower documenting the annual tenant certifications provided in accordance with this section and if requested by the Issuer, verification documentation of the same. The Borrower shall also furnish any reports or other documentation that the Issuer reasonably determines are necessary to establish compliance with the Bond Regulatory Agreement and the Code.

### Restrictions During Qualified Project Period

The Borrower further covenants and agrees that, throughout each Qualified Project Period, as defined below and in Section 142(d)(2) of the Code:

Rental Requirement. Once available for occupancy, the units in the Development shall be rented or available for rental on a continuous basis to members of the general public who are natural persons, on a first-come first-served basis, and may not be converted to condominium, owner-occupied or other non-rental use until the end of the Qualified Project Period. The “Qualified Project Period” for the Development is the period beginning on the first day on which ten percent (10%) of the units of the Development are occupied, and ending on the latest of:

- i. the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the units in the Development are occupied;
- ii. the first day on which no tax-exempt private activity bond issued with respect to the Development is outstanding; or
- iii. the date on which any assistance provided with respect to the Development under the Section 8 Program terminates.

Qualified Residential Rental Project. The Borrower will maintain the Development as a qualified residential rental project described in Section 142(d) of the Code consisting of one or more buildings, together with any functionally related and subordinate facilities, containing one or more similarly constructed units that (i) meet the other requirements set forth in the Bond Regulatory Agreement and in the Loan Agreement and the Tax Certificate and Agreement with respect to the Bonds and the Development dated January \_\_, 2026, and made and executed by the Issuer and the Borrower (the “Tax Certificate and Agreement”), including the Borrower Tax Certification delivered to the Issuer with respect to the Bonds and the Development and attached to the Tax Certificate and Agreement (the “Borrower Tax Certification”), and (ii) that are available to members of the general public. For purposes of this subparagraph, the term “functionally related and subordinate facilities” includes facilities for use by the tenants, e.g. swimming pools, other recreational facilities, parking areas, and other facilities which are reasonably required or customary for the multifamily rental housing units, heating and cooling equipment, trash disposal equipment and units for resident managers and maintenance personnel. Substantially all of the Development will contain such units and functionally related and subordinate facilities, all of which will be located on the Property. Each unit of the Development will be suitable for occupancy and consist of an accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation. The Development will not be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium, rest home, or trailer park or court, or for any use on a transient basis.

Low or Moderate Income Occupancy Requirement. The minimum set-aside requirements of the Code applicable to the Development and elected by the Issuer will be maintained, namely, at least forty percent (40%) of the units in the Development shall be occupied or held available for occupancy by individuals or families whose incomes are lower than the Section 142(d) 60% Limit, adjusted for family size. The incomes of individuals and families, their eligibility and area median gross income shall be determined as indicated in the Bond Regulatory Agreement.

Tenant Failure to Certify; Fraud. If a tenant residing in a unit of the Development fails to provide the Borrower with certifications and documentation as required within sixty (60) days of the Borrower’s request, or if such a tenant provides false or fraudulent materials at any time, then the Borrower may, or at the request of the Issuer shall, refuse to offer a lease renewal and/or commence legal action to terminate the lease of the tenant.

### Additional Agreements; Covenants Running with the Land

The Borrower agrees that its covenants restricting the use and occupancy of the Development set forth in the Bond Regulatory Agreement are essential to the issuance of the Bonds and the making and funding of the Bond Loan with the proceeds thereof, and that the enforcement of these covenants is necessary to preserve the exclusion of interest

on the Bonds from gross income for federal income tax purposes under Section 103 of the Code. These covenants are in addition to any similar or identical covenants contained in the Regulatory and Restrictive Covenants for Land Use Agreement between the Borrower and the Issuer (the “Extended Use Agreement”). Therefore, the Borrower further agrees as follows:

Covenants Running with the Land. It is the intent of the Borrower and the Issuer that the use and occupancy restrictions contained in the Bond Regulatory Agreement and the following subsections of this section shall be covenants that run with the land, pursuant to the Act, and therefore binding on all the successors and assigns of the Borrower and the Issuer, throughout the term of the Qualified Project Period. These covenants shall survive a sale, transfer, or other disposition of the Development by the Borrower, or the repayment of the Bond Loan, but shall cease to apply to the Development in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency after the date of issue of the Bonds, the issuance of which provided the proceeds used by the Issuer for the making of the Bond Loan for the financing of the Development, if the event prevents the Issuer from enforcing the requirements, even though compensated by insurance, provided that any bonds allocable to the Development are retired within a reasonable period after such involuntary noncompliance. The respective covenants of the Borrower, however, shall survive a foreclosure, transfer of title by deed in lieu of foreclosure or similar event if at any time during the Qualified Project Period the Borrower or a related person (as defined in Section 147 of the Code) thereafter obtains an ownership interest in the Development.

Inspections. In order to enable the Issuer to monitor the Borrower’s compliance with the use and occupancy restrictions described in the Bond Regulatory Agreement, the Borrower covenants and agrees that the Issuer and its agents or employees shall upon reasonable advance notice be allowed access to the Development and leasing or business office during normal business hours and to inspect and audit all books and records pertaining to the Development.

Status Reports. The Borrower covenants and agrees to complete and send to the Issuer an annual, or at any greater frequency that may be requested by an Authorized Officer of the Issuer, status report(s) in form and content acceptable to the Issuer, which status report(s) shall demonstrate ongoing compliance with these use and occupancy restrictions.

Transferees Bound. The Borrower covenants and agrees that in the event it sells or otherwise transfers ownership of the Development, it will enter into such agreements with the purchaser or transferee as may be prescribed by the Issuer which have the effect of causing such purchaser or transferee to be bound by the use and occupancy restrictions described in the Bond Regulatory Agreement, as they may be amended or supplemented.

Necessary Actions. The Borrower agrees to evict any tenant or take such other corrective action as is determined necessary by an Authorized Officer of the Issuer necessary to comply with the covenants set forth in the Bond Regulatory Agreement. To the extent necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code, the Issuer shall also have the right to take any and all action which it deems appropriate in order to enforce compliance with the covenants set forth in the Bond Regulatory Agreement.

Treasury Regulations. The Borrower acknowledges that certain of the covenants set forth in the Bond Regulatory Agreement are based upon the Regulations of the United States Department of Treasury (the “Treasury Regulations”) as they exist on the date of the Bond Regulatory Agreement and that the Treasury Regulations may be subsequently modified or interpreted by the federal government in a manner which the Issuer believes is inconsistent with such covenants set forth in the Bond Regulatory Agreement. The Borrower agrees to comply with any additional covenants and restrictions which the Issuer believes, upon advice of counsel, are necessary to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code and which are communicated in writing to the Borrower, even though such covenants or restrictions are not a part of the Bond Regulatory Agreement as originally executed; provided, however, that if counsel for the Borrower disagrees with the advice of counsel for the Issuer, Borrower shall have the right at its own expense to proceed with obtaining a favorable ruling from the Internal Revenue Service or interpretation from the appropriate court which Borrower deems advisable and in its best interest and the Issuer agrees to cooperate fully with Borrower in this connection, so long as Borrower bears the Issuer’s expenses, including the expenses of legal counsel, in obtaining such ruling. In such event, such

additional covenants or restrictions shall be considered a material part of the Bond Regulatory Agreement as if they had been originally included therein.

#### Borrower's Representations and Warranties.

(i) The Borrower incorporates in the Bond Regulatory Agreement, as if set forth in full in the Bond Regulatory Agreement, each of the representations, covenants and warranties of the Borrower contained in the Tax Certificate and Agreement and Borrower Tax Certification relating to the financing of the acquisition, rehabilitation and equipping of the Development with proceeds of the Bond Loan.

(ii) The Borrower acknowledges and agrees that prior to the date which is no later than two (2) years after the later of (i) the date on which the Borrower acquires the Development or (ii) January \_\_, 2026, the Borrower shall incur Rehabilitation Expenditures payable from proceeds of the Bonds, its own funds, tax credit funds, or otherwise, in an amount which equals or exceeds an amount that, with respect to the Development, is at least 15% of the portion of the cost of acquiring the Development financed with the net proceeds of the Bonds. For purposes of this subsection (ii), "Rehabilitation Expenditures" shall mean any amount properly chargeable to capital account which is incurred by the Borrower in connection with the rehabilitation of the Development as provided in Section 147(d) of the Code.

#### Compliance with Code Requirements and Restrictions

The Borrower shall not use, permit the use of or omit to use proceeds of the Bonds or any other amounts (or any property acquired, constructed, or improved with proceeds of the Bonds, including the Development) in a manner which, if made or omitted, respectively, would cause interest on any Bond to become includable in the gross income, as defined in Section 61 of the Code, of the owners thereof for federal income tax purposes.

Neither the Borrower nor any "related person" to the Borrower, as defined in Section 144(a)(3) of the Code, shall purchase the Bonds or other obligations of the Issuer in an amount related to the amount of the Bond Loan funded by the Bonds.

The Borrower shall respectively submit to the Secretary of the Department of the Treasury of the Internal Revenue Service, at such time and in such manner as the Secretary of the Treasury shall prescribe, an annual certification (IRS Form 8703, as may be amended) as to whether the Development continues to comply with the requirements of Section 142(d)(7) of the Code. Any failure to submit this certification shall not affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds but shall subject the Borrower to a penalty pursuant to Section 6652(j) of the Code. The Borrower shall provide copies of such Forms 8703 to the Issuer promptly after submission to the Internal Revenue Service.

#### Prohibited Activities Without Approval

The Borrower agrees that it shall not, without the prior written approval of an Authorized Officer of the Issuer (which shall not be unreasonably withheld) and except in accordance with the Loan Agreement, during the longer of (i) so long as the Bond Loan remains outstanding or (ii) the Qualified Project Period:

(a) Convey, transfer, or encumber all or any portion of the Development, or permit the conveyance, transfer or encumbrance of all or any portion of the Development;

(b) Convey, assign, or transfer the interest in the Borrower of any of its members; and

(c) Permit the use of the units of the Development for any purpose except the use which was originally intended, it being understood and acknowledged by the Borrower that the qualification for tax exemption of interest on the Bonds is dependent upon compliance with use restrictions arising out of the Code and Treasury Regulations.

The restrictions contained in the Bond Regulatory Agreement shall not be applicable to any of the following provided that the transfer at issue does not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes under Section 103 of the Code: (i) any transfer pursuant to or in lieu of a foreclosure or any exercise of remedies (including, without limitation, foreclosure) in connection with the Bond Loan, provided, however, that neither the Borrower nor any “related person” within the meaning of Section 144(a)(3) of the Code, to the Borrower shall acquire any interest in the Property during the remainder of the Qualified Project Period; (ii) any sale, transfer, assignment, pledge, encumbrance or addition of partnership interests in the Borrower or any transfer that does not result in a transfer of control of the Borrower; (iii) grants of utility-related easements, governmental easements and service-related leases or easements, such as laundry service leases or television cable easements, over portions of the Property, provided, however, the same are granted in the ordinary course of business in connection with the operation of the Property as contemplated by the Bond Regulatory Agreement; (iv) leases of apartment units in the Development to tenants in accordance with the requirements of the Bond Regulatory Agreement; (v) any sale or conveyance to a condemning governmental authority as a direct result of a condemnation or a governmental taking or a threat thereof; (vi) the placing of a subordinate mortgage lien, assignment of leases and rents or security interests on or pertaining to the Property, if made expressly subject and subordinate to this Agreement; (vii) any change in allocations or preferred return of capital, depreciation or losses or any final adjustment in capital accounts (all of which may be freely transferred or adjusted by the Borrower pursuant to the Borrower’s Amended and Restated Limited Partnership Agreement, as it may be amended from time to time (the “Limited Partnership Agreement”)); (viii) the direct or indirect transfer by the Investor Limited Partner and/or Special Limited Partner (as defined in the Limited Partnership Agreement) of their respective interests in the Borrower in accordance with the terms of the Borrower’s Organizational Documents; (ix) the removal of the general partner of the Borrower in accordance with the Organizational Documents and the replacement thereof with the Investor Limited Partner and/or Special Limited Partner or any of their respective affiliates or an entity under common control with the Investor Limited Partner and/or Special Limited Partner; (x) the transfer of ownership interests in the Investor Limited Partner and/or Special Limited Partner; (xi) upon the expiration of the tax credit compliance period, the transfer of the interests of the Investor Limited Partner and/or Special Limited Partner in the Borrower to the Borrower’s general partner or any of its affiliates; and (xii) any amendment to the Organizational Documents to memorialize the transfers or removal described above.

#### Default and Remedies

The violation of any provision of the Bond Regulatory Agreement by the Borrower shall be a default under the Bond Regulatory Agreement and the Loan Agreement. In addition to any remedies set forth in the Loan Agreement, the Issuer may give written notice of such default to the Borrower, by registered or certified mail, addressed to the address stated in the Bond Regulatory Agreement, or such other address as may subsequently, upon appropriate written notice thereof to the Issuer, be designated by the Borrower as its legal business address. If the default is not corrected to the satisfaction of an Authorized Officer of the Issuer within thirty (30) days after the day such notice is mailed or within such further time as an Authorized Officer of the Issuer reasonably determines is necessary to correct the default, without further notice the Issuer may avail itself of any remedy provided in the Loan Agreement or any other document executed in connection with the Bond Loan, or any other remedy it may have at law or in equity in the event of such a default. In addition, the Issuer’s remedies shall include the right to apply to any court, State or federal, for the specific performance of the covenants and agreements contained in the Bond Regulatory Agreement; for an injunction against any violation of such covenants and agreements; for the appointment of a receiver to take over and operate the Development; or for such other relief as may be appropriate, since the injury to the Issuer arising from any default under the Bond Regulatory Agreement would be irreparable and the amount of damage difficult to ascertain. The Issuer’s election to pursue any one or more of the above remedies shall not be construed to preclude or be a waiver of the Issuer’s right to pursue any of the other remedies with respect to the default for which such remedy was pursued or with respect to any default prior or subsequent to such remedy.

Borrower’s Investor Limited Partner and Special Limited Partner (as each is defined in the Partnership Agreement) shall have the right, but not the obligation, to cure defaults on behalf of Borrower.

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**APPENDIX E**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**\$16,600,000\***  
**West Virginia Housing Development Fund**  
**Multifamily Housing Revenue Bonds Series 2026**  
**(Highlawn Place)**

This Continuing Disclosure Agreement (this “Continuing Disclosure Agreement”) is made as of January 1, 2026, by and between Highlawn TC Senior Apartments, LP, a West Virginia limited partnership (the “Borrower”) and Zions Bancorporation, National Association, as Dissemination Agent (the “Dissemination Agent”). This Continuing Disclosure Agreement is entered into in connection with the issuance and sale by the West Virginia Housing Development Fund (the “Issuer”) of the above-captioned bonds (the “Bonds”) pursuant to a Trust Indenture by and between Zions Bancorporation, National Association, as trustee, and the Issuer dated as of January 1, 2026 (the “Indenture”).

**Section 1.**      Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrower, which is deemed to be the “obligated person” as defined by the Rule (defined below), 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. The Borrower acknowledges and agrees that the Issuer is not an “obligated person” for purposes of the Rule and shall have no reporting or disclosure obligations hereunder. In addition to any other indemnification obligations of the Borrower to the Issuer and the Dissemination Agent now or hereafter existing, the Borrower hereby covenants and agrees to indemnify and hold harmless the Issuer and the Dissemination Agent, any person who “controls” the Issuer or the Dissemination Agent (within the meaning of Section 15 of the Securities Act of 1933, as amended), and any member, officer, director, official, agent, employee, and attorney of the Issuer, the State of West Virginia or the Dissemination Agent (collectively called the “Indemnified Parties”) against any and all losses, claims, damages or liabilities (including all costs, expenses and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by, relating to, arising out of, resulting from, or in any way connected with compliance with the Rule as it applies to the Bonds.

**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 Zions Bancorporation, National Association, 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.

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\* Preliminary; subject to change.

“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 MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at [www.emma.msrb.org](http://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, 2026, 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. 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. 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.

For purposes of clauses (xv) and (xvi) of this Section 5(a), "financial obligation" is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the "Adopting Release").

(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 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 clause— (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(e) 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 and the Holders from time to time of the Bonds, and the Issuer and each Holder of the Bonds is hereby declared to be a third party beneficiary of this Continuing Disclosure Agreement. The Issuer shall have the right to bring an action in order to enforce the obligations of the parties hereunder. Except as provided in the immediately preceding sentence, this Continuing Disclosure Agreement shall create no rights in any other person or entity.

**Section 9.** Reserved.

**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 Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the 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 Continuing Disclosure 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:

*If to the Borrower:*

Highlawn TC Senior Apartments, LP  
c/o CCI Development  
4530 East Thousand Oaks Boulevard, Suite 100  
Westlake Village, CA 91362  
Attention: James Crowder  
Email: james.crowder@ccinvest.com

*If to the Dissemination Agent:*

Zions Bancorporation, National Association  
141 West Jackson Boulevard, Suite 3720  
Chicago, IL 60604  
Attention: April Lepic  
Email: April.Lepic@zionsbancorp.com

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

**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.

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

**HIGHLAWN TC SENIOR APARTMENTS, LP,**  
a West Virginia limited partnership

By: Highlawn TC GP, LLC,  
a West Virginia limited liability company  
Its: General Partner

By: GLTC Partners, LLC,  
a North Dakota limited liability company  
Its: Managing Member

By: California Commercial Investment Brokerage, Inc.,  
a California corporation  
Its: Managing Member

By: \_\_\_\_\_  
Danielle Hastie  
Vice President

[Signatures continued on next page]

[Dissemination Agent Signature Page to Continuing Disclosure Agreement]

**ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer



**EXHIBIT A**

**ANNUAL REPORT**

**\$16,600,000\***

**West Virginia Housing Development Fund  
Multifamily Housing Revenue Bonds, Series 2026  
(Highlawn Place)**

**CUSIP: \_\_\_\_\_**

**Annual report for the period ending December 31, \_\_\_\_\_**

**THE PROJECT**

Name of the Project:	Highlawn Place Senior Apartments
Address:	1130 Third Avenue, Huntington, WV 25701
Number of Units:	133

**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].

<b>Financial Results for Fiscal Year Ending December 31, _____</b>	
Revenues	
Operating Expenses <sup>1</sup>	
Net Operating Income	
Debt Service on the Series 2026 Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

<sup>1</sup> Excludes depreciation and other non-cash expenses.

<b>Occupancy Results for Fiscal Year Ending December 31, _____</b>	
Physical Occupancy	%
Economic Occupancy <sup>1</sup>	%

<sup>1</sup> 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 AN ANNUAL REPORT**

Name of Issuer: West Virginia Housing Development Fund  
Name of Issue: Multifamily Housing Revenue Bonds, Series 2026 (Highlawn Place)  
Name of Borrower: Highlawn TC Senior Apartments, LP  
CUSIP: \_\_\_\_\_  
Date of Issuance: January \_\_, 2026

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:

**ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

cc: Borrower

**EXHIBIT C**

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

Name of Issuer: West Virginia Housing Development Fund

Name of Bond Issue: Multifamily Housing Revenue Bonds, Series 2026 (Highlawn Place)

Name of Borrower: Highlawn TC Senior Apartments, LP

Name of Project: Highlawn Place Senior Apartments

Address of Project: 1130 Third Avenue, Huntington, WV 25701

Date of Issuance: January \_\_, 2026

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of January 1, 2026, between the above-referenced borrower (the “Borrower”) and Zions Bancorporation, National Association, 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: \_\_\_\_\_

**ZIONS BANCORPORATION, NATIONAL  
ASSOCIATION,**  
as Dissemination Agent

By: \_\_\_\_\_  
Authorized Officer

cc: Borrower

**EXHIBIT D**

**FORM OF NOTICE OF PLACED IN SERVICE**

**\$16,600,000\***

**West Virginia Housing Development Fund  
Multifamily Housing Revenue Bonds, Series 2026  
(Highlawn Place)**

The undersigned hereby provides notice to Zions Bancorporation, National Association, a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Highlawn Place Senior Apartments (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of January 1, 2026, between the West Virginia Housing Development Fund (the “Issuer”) and Zions Bancorporation, 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.

**HIGHLAWN TC SENIOR APARTMENTS, LP,**  
a West Virginia limited partnership

By: Highlawn TC GP, LLC,  
a West Virginia limited liability company  
Its: General Partner

By: GLTC Partners, LLC,  
a North Dakota limited liability company  
Its: Managing Member

By: California Commercial Investment Brokerage, Inc.,  
a California corporation  
Its: Managing Member

By: \_\_\_\_\_  
Danielle Hastie  
Vice President

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\* Preliminary; subject to change.

**ATTACHMENT**

**Certificate of Occupancy**

## **APPENDIX F**

### **FORM OF BOND COUNSEL OPINION**

West Virginia Housing Development Fund  
5710 MacCorkle Avenue, SE  
Charleston, WV 25304

At your request, we have examined the constitution and laws of the State of West Virginia (the “State”) and a record of proceedings related to the issuance of \$\_\_\_\_\_ aggregate principal amount of Multifamily Housing Revenue Bonds, Series 2026 (Highlawn Place) (the “Bonds”) of the West Virginia Housing Development Fund (the “Housing Development Fund”), a public body corporate of the State created by and pursuant to Article 18 of Chapter 31 of the Code of West Virginia, 1931, as amended (the “Act”), and organized and existing under the Act and the laws of the State.

The Bonds are authorized to be issued pursuant to the Act, the Bond Authorizing Resolution adopted by the Housing Development Fund on September 24, 2025 (the “Resolution”), the Trust Indenture, dated as of January 1, 2026 (the “Indenture”), between the Housing Development Fund and Zions Bancorporation, National Association, as trustee (the “Trustee”), and a Certificate of Determinations of the Housing Development Fund, dated January \_\_, 2026 (the “Certificate”). The Bonds are authorized to be issued for the purpose of providing funds to make a loan to Highlawn TC Senior Apartments, LP (the “Borrower”) pursuant to the Loan Agreement, dated as of January 1, 2026 (the “Loan Agreement”), between the Housing Development Fund and the Borrower, to finance, refinance or reimburse a portion of the costs of the acquisition, rehabilitation and equipping of a low and moderate income multifamily rental housing facility known as Highlawn Place Senior Apartments, located in Huntington, West Virginia, pursuant to the terms of the Indenture, the Loan Agreement and the Regulatory Agreement, effective the date hereof (the “Bond Regulatory Agreement”), among the Housing Development Fund, the Borrower and the Trustee.

The Bonds are dated the date, mature on the date, are in the principal amount, bear interest at the rate and are subject to redemption and otherwise are as described and provided for in the Resolution, the Indenture and the Certificate.

We are of the opinion that:

1. Under the constitution and laws of the State, the Housing Development Fund has good, right and lawful authority, among other things, to issue the Bonds and to execute and perform its obligations under the terms and conditions of the Indenture and the Loan Agreement.
2. The Resolution has been duly adopted by the Housing Development Fund, is in full force and effect, and is valid and binding upon the Housing Development Fund and enforceable in accordance with its terms.
3. The Housing Development Fund has taken all action necessary to authorize the issuance and sale of the Bonds and the execution, delivery and performance of the Indenture and the Loan Agreement.
4. The Bonds have been duly authorized, sold and issued by the Housing Development Fund in accordance with the Resolution, the Indenture and the laws of the State, including the Act, and pursuant to the Act are issued by a public body corporate of the State for a public purpose.
5. The Bonds are special, limited obligations of the Housing Development Fund payable from the revenues, funds or moneys pledged for the payment thereof pursuant to the Resolution and the Indenture, and are enforceable in accordance with their terms and the terms of the Resolution and the Indenture.
6. The State is not liable on the Bonds and the Bonds are not a debt of the State or a general obligation of the Housing Development Fund. Neither the faith and credit of the State or the Housing Development Fund nor

the taxing power of the State is pledged to the payment of the principal of and premium, if any, and interest on the Bonds.

7. The Indenture, the Loan Agreement and the Bond Regulatory Agreement have been duly authorized, executed and delivered by the Housing Development Fund, and assuming due authorization, execution and delivery by the other parties thereto, are valid and legally binding obligations of the Housing Development Fund enforceable in accordance with their respective terms.

8. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which the Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person," and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; *however*, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Applicable federal tax law establishes certain requirements that must be met subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excluded from gross income for federal income tax purposes under the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. On the date of delivery of the Bonds, the Housing Development Fund and the Borrower will execute the Tax Certificate and Agreement (the "Tax Certificate"), containing provisions and procedures pursuant to which such requirements can be met. In executing the Tax Certificate, the Housing Development Fund and the Borrower covenant that they will comply with the provisions and procedures set forth therein and that they will at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest on the Bonds be excluded from gross income for federal income tax purposes pursuant to the Code. In rendering the opinion in the first sentence of this paragraph, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Bonds and (ii) compliance by the Housing Development Fund and the Borrower with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

We express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds, or the ownership or disposition thereof, except as stated in paragraph 8 above. We render our opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, any fact or circumstance that may hereafter come to our attention, any change in law or interpretation thereof that may hereafter occur, or for any other reason. We express no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Bonds. We undertake no responsibility for the accuracy, completeness, or fairness of any official statement or other offering materials relating to the Bonds and express herein no opinion relating thereto.

We have assumed, without undertaking to verify, the genuineness of all documents, certificates and opinions presented to us (whether as originals or as copies) and of the signatures thereon, the accuracy of the factual matters represented, warranted, or certified therein, and the due and legal execution thereof by, and the validity against, any parties other than the Housing Development Fund.

In rendering this opinion, we are advising you that the rights and obligations under the Bonds, the Indenture, the Loan Agreement and the Bond Regulatory Agreement and their enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, arrangement, fraudulent conveyance, or other laws affecting creditors' rights or remedies and are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), to the exercise of judicial discretion in appropriate cases, and to limitations on legal



remedies. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, waiver, or severability provisions contained in the documents described herein.

We have examined a specimen of the Bonds and in our opinion the form thereof and its execution are regular and proper.

Very truly yours,

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