

NEW ISSUE – Book-Entry Only

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

In the opinion of Coats Rose, P.C., Austin, Texas, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming continuing compliance by the Issuer and the Borrower (as defined below) with their respective Covenants and the Tax Agreements (both terms defined below), interest on the Bonds (as defined below) is excludible from gross income for federal income tax purposes under Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"); provided, however, that no opinion is expressed as to the status of interest on any Bond during any period that it is held by a "substantial user" of the facilities financed with proceeds of the Bonds or a "related person" of such "substantial user" as such quoted terms are defined for purposes of Section 147(a) of the Code. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference under Section 57(a) of the Code in computing the federal alternative minimum tax for individual and corporations. However, interest on the Bonds is included in the "adjusted financial statement income" (as determined under Section 56A of the Code) of "applicable corporations" (as defined in Section 59 of the Code) for purposes of determining the alternative minimum tax under section 55 of the Code applicable to such "applicable corporations." Ownership of the Bonds may result in certain collateral federal income tax consequences to certain Bondholders. See "TAX MATTERS" herein.

\$5,100,000*

Austin Affordable PFC, Inc.
Multifamily Housing Revenue Bonds
(Heritage Pointe Seniors Apartments)
Series 2025

Dated: Date of Delivery

Interest Rate: _____%

Initial Offering Price: 100%

Optional Redemption Date: June 1, 2027*

Initial Mandatory Tender Date: June 1, 2027*

Maturity Date: June 1, 2028*

CUSIP: _____

Austin Affordable PFC, Inc. (the "Issuer") is issuing its Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2025 (the "Bonds") pursuant to a Trust Indenture dated as of November 1, 2025* (the "Indenture"), by and between the Issuer and Wilmington Trust, National Association, a national banking association, as trustee (the "Trustee"). Proceeds of the Bonds will be used to make a loan to 1950 Webberville Road (TX) Owner LP, a Texas limited partnership (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, constructing, and equipping a multifamily housing project consisting of approximately 240 units to be located in the jurisdiction of the Issuer (the "Project"). See "THE PROJECT" herein.

The Issuer previously issued its \$22,565,000 Multifamily Housing Revenue Bonds (Fannie Mae MBS Secured) (Heritage Pointe Seniors Apartments) Series 2024A (the "Series A Bonds") and the \$6,357,000 Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2024B (the "Series B Bonds," and together with the Series A Bonds, the "Prior Bonds") under and pursuant to an Indenture of Trust, dated as of September 1, 2024 (the "Prior Indenture"), between the Issuer and the Trustee, to enable the Borrower to pay a portion of the cost of acquiring, constructing, and equipping the Project.

THIS OFFICIAL STATEMENT ONLY RELATES TO THE ISSUANCE AND SALE OF THE BONDS. THE PRIOR BONDS ARE NOT BEING OFFERED PURSUANT TO THIS OFFICIAL STATEMENT.

The Bonds will bear interest at the Interest Rate indicated above from their date of delivery, to but not including, June 1, 2027* (the "Initial Mandatory Tender Date"), payable on each June 1 and December 1, commencing June 1, 2026* (each an "Interest Payment Date"). See "THE BONDS" herein. The Bonds will be issued as fully registered bonds in denominations of \$5,000 and integral multiples of \$1,000 in excess thereof. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, Brooklyn, New York. DTC will act as securities depository of the Bonds. Purchases will be made only in book-entry form through DTC participants in the aforesaid authorized denominations, and no physical delivery of Bonds will be made to purchasers. Payments of principal of and premium, if any, and interest on the Bonds will be made to purchasers by DTC through its participants. See "THE BONDS – Book-Entry Only System" herein.

The Bonds, when, as and if issued, will be special limited obligations of the Issuer, payable solely from the revenues and other money assigned by the Indenture to secure that payment. Pursuant to the Loan Agreement, dated as of November 1, 2025 (the "Loan Agreement"), between the Issuer and the Borrower, the Borrower has agreed to cause deposits to be made, over time, to the Collateral Fund established under the Indenture in exchange for the disbursement of Bond proceeds in the Project Fund established under the Indenture. It is anticipated that the principal of and interest on the Bonds will be paid from amounts on deposit in the Bond Fund established under the Indenture, the Collateral Fund and the Project Fund. The Indenture requires the Bonds to be secured at all times by Eligible Investments and Eligible Funds (each as defined herein) sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at maturity or upon redemption or acceleration, as further described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds are not subject to redemption prior to the Initial Mandatory Tender Date as set forth herein. See "THE BONDS – Optional Redemption" herein.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, ANY OF ITS MEMBERS, THE STATE, THE SPONSOR, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE

* Preliminary; subject to change.

FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered when, as and if received by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), subject to the approval of legality by Coats Rose, P.C., Austin, Texas, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon, for the Borrower by its counsel, Baker Hostetler, Chicago, Illinois, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in Brooklyn, New York on or about November __, 2025.

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

STIFEL

Date: November __, 2025

No broker, dealer, salesman or other person has been authorized by the Issuer or the Borrower to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to the registration or qualification under the securities laws of any such jurisdiction. This Official Statement is not to be construed as a contract or agreement between the Issuer or the Borrower and the purchasers or owners of any of the Bonds.

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. 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 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 or the Borrower since the date hereof.

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. 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.

The Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange, nor has the Indenture (as defined herein) been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the Bonds and the security therefor, including an analysis of the risks involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity has passed upon the accuracy, completeness or adequacy of this Official Statement or approved the Bonds for sale.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by S&P Capital IQ, a part of McGraw Hill Financial Inc., on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated on the cover page of this Official Statement. The CUSIP number is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

Wilmington Trust, National Association, in each of its capacities, including, but not limited to, as Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Official Statement, assumes no responsibility for its content, 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.

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OFFICIAL STATEMENT

\$5,100,000*

**Austin Affordable PFC, INC.
Multifamily Housing Revenue Bonds
(Heritage Pointe Seniors Apartments)
Series 2025**

INTRODUCTION

This Official Statement (this “Official Statement”), including the Appendices, has been prepared in connection with the issuance of the above-captioned Bonds (the “Bonds”) by Austin Affordable PFC, Inc. (the “Issuer”), a nonprofit public facility corporation of the State of Texas (the “State”), organized and existing under the laws of the State. The Bonds will be issued pursuant to the Texas Public Facility Corporations Act, Chapter 303, as amended, of the Texas Local Government Code, as amended (the “Act”), and that certain resolution adopted on October 16, 2025 (the “Bond Resolution”) and secured by a Trust Indenture, dated as of November 1, 2025 (the “Indenture”), between the Issuer and Wilmington Trust, National Association, a national banking association, as trustee (the “Trustee”).

Pursuant to the Indenture and the Loan Agreement, dated as of November 1, 2025 (the “Loan Agreement”), between the Issuer and 1950 Webberville Road (TX) Owner LP, a Texas limited partnership (the “Borrower”), the Issuer is issuing the Bonds to provide financing for a residential rental housing development known as Heritage Pointe Seniors Apartments (the “Project”) in Austin, Texas (the “State”), and to loan the proceeds derived from the sale of the Bonds to make a loan (the “Loan”) to 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 Debt Service”) to the extent that amounts otherwise available for such payment are insufficient therefor. The Loan will be evidenced by a promissory note in the principal amount of \$5,100,000* (the “Note”) from the Borrower to 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 Issuer previously issued \$22,565,000 Multifamily Housing Revenue Bonds (Fannie Mae MBS Secured) (Heritage Pointe Seniors Apartments) Series 2024A (the “Series A Bonds”) and the \$6,357,000 Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2024B (the “Series B Bonds,” and together with the Series A Bonds, the “Prior Bonds”) under and pursuant to an Indenture of Trust, dated as of September 1, 2024 (the “Prior Indenture”), between the Issuer and the Trustee, to enable the Borrower to pay a portion of the cost of acquiring, constructing, and equipping the Project.

THIS OFFICIAL STATEMENT ONLY RELATES TO THE ISSUANCE AND SALE OF THE BONDS. THE PRIOR BONDS ARE NOT BEING OFFERED PURSUANT TO THIS OFFICIAL STATEMENT.

The Issuer, the Borrower and Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) have entered into a Bond Purchase Agreement (the “Bond Purchase Agreement”), pursuant to which the Issuer will agree to sell the Bonds to the Underwriter. The transaction entered into under the Bond Purchase Agreement will provide for the issuance and sale to the Underwriter of the Bonds in a specified principal amount, with a specified interest rate, on a specified date and at a specified price. The delivery of the Bonds is subject to the satisfaction of a number of conditions set forth in the Bond Purchase Agreement.

* Preliminary; subject to change.

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

The principal of and interest on the Bonds (the “Bond Debt Service”) are payable from the security pledged under the Indenture, including the payments on the investment of funds under the Indenture. Under the Indenture, the Trustee is to invest amounts held under the Indenture in Eligible Investments (as defined herein). **At all times, the Bonds will be secured by amounts on deposit under the Indenture, which shall constitute Eligible Funds and shall be invested in Eligible Investments and such amounts will be sufficient, along with investment earnings thereon, without the need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of any Redemption Date or any Mandatory Tender Date, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.**

The Bonds will bear interest at the Interest Rate indicated above from their date of delivery, to but not including, June 1, 2027* (the “Initial Mandatory Tender Date”), payable on each June 1 and December 1, commencing June 1, 2026* (each an “Interest Payment Date”).

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

Proceeds of the Bonds will be used to provide a portion of the financing for the Project. As described under “THE PROJECT – Plan of Financing” herein, the Borrower has obtained a Bridge Loan in the amount up to \$16,900,000* (the “Bridge Loan”) from PNC Bank, National Association, a national banking association, in its capacity as maker of the Bridge Loan (in such capacity, the “Bridge Lender”). From time to time, the Borrower will cause Eligible Funds, including proceeds of the Bridge Loan, to be delivered to the Trustee for deposit into the Collateral Fund in order to enable the Trustee to release Bond Proceeds to pay costs of the Project.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, ANY OF ITS MEMBERS, THE STATE, THE SPONSOR, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE BONDS OR ANY OF THE ISSUER’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.

The Project is subject to an Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”) dated as of November 1, 2025, by and among the Borrower, the Issuer and the Trustee. The Regulatory Agreement requires that at least 80.4% of completed units of the Project be occupied by persons or families having incomes at or below 60% of area median gross income during the longer of the Qualified Project Period (as defined in the Regulatory Agreement), in accordance with Section 142(d) of the Code. Failure to

* Preliminary; subject to change.

comply with these requirements could result in the loss of the federal tax exemption of the Bonds retroactively to their date of issuance. See “TAX MATTERS.”

Brief descriptions of the Issuer, the Borrower, the Project, the Bonds, the security for the Bonds and the use of proceeds of the Bonds, together with summaries of certain provisions of the Indenture, the Loan Agreement and the Regulatory Agreement are included in this Official Statement. All information with respect to the Borrower, the Project and the private participants has been furnished by the Borrower. The descriptions and summaries herein do not purport to be complete and are qualified in their entireties by reference to such documents, agreements and programs as may be referred to herein, and the summaries herein of the Bonds are further qualified in their entireties by reference to the form of the Bonds included in the Indenture and the provisions with respect thereto included in the aforesaid documents.

THE ISSUER

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

The Issuer (Austin Affordable PFC, Inc.) is a nonprofit public facility corporation organized and existing under the laws of the State of Texas (the “State”). The Issuer was duly created and organized pursuant to and in accordance with the provisions of the Act for the purpose of issuing bonds to finance “public facilities” sponsored by the Housing Authority of the City of Austin (the “Sponsor”), a political subdivision of the State of Texas created and operating under Chapter 392, Texas Local Government Code, as amended (“Chapter 392”), which under Chapter 392 are defined to include a residential development or a “housing project” as defined under Chapter 392. The Act authorizes the Issuer to (a) issue bonds (which are defined in the Act to include notes, interim certificates or other evidences of indebtedness) to finance, refinance or provide public facilities on behalf of the Sponsor; (b) loan the proceeds of the obligations to other entities to accomplish the purposes of the Sponsor; (c) use the proceeds of its bonds to maintain reserve funds determined by the Sponsor and the Issuer to be necessary and appropriate; (d) pay any costs relating to the issuance or incurrence of bonds by the Issuer; and (e) accept a mortgage or pledge of a public facility financed by the Issuer and, as security for the payment of any connected bonds or credit agreements that the Issuer issues or incurs, assign the mortgage or pledge and the revenue and receipts from the mortgage or pledge or grant other security. The Issuer has adopted the Resolution and approved the issuance of the Bonds pursuant to the authority of the provisions of the Act and Chapter 392 and the Sponsor, as sponsor of the Issuer, has adopted a resolution on October 16, 2025 approving the issuance of the Bonds by the Issuer. The Issuer has no taxing power and receives no appropriations from the State or any other governmental body.

The Board of Directors (the “Board”) of the Issuer consists of five directors composed of the five members of the Board of Commissioners of the Sponsor. Each of the five directors are voting members, must be a member of the Board of Commissioners of the Sponsor and cease to be a director at the time at which he or she ceases to be a member of the Board of Commissioners. Members of the Board of Commissioners must be residents of the City of Austin, and are appointed by the Mayor of Austin.

Neither the State nor any political corporation or subdivision of the State, including the Sponsor and the City of Austin, is liable for the payment of the principal of, premium of, if any, or interest on the Bonds. Such entities are prohibited from making payments with respect to the Bonds. The Issuer is not in any event to be liable for the payment of the principal of, premium or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Issuer and neither the Bonds nor any of the Issuer’s agreements or obligations are to be construed to constitute an indebtedness of the Issuer or the State within the meaning of any constitutional or statutory provision whatsoever.

No agreement or obligation contained in the Indenture shall be deemed to be an agreement or obligation of any director, officer, employee, commissioner, servant or agent of the Issuer in his or her individual capacity, and neither the directors of the Issuer nor any officer thereof executing any Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, commissioner, servant or agent of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to the Indenture.

The Issuer has previously issued bonds for the purpose of financing other multifamily projects for other borrowers which bonds are payable solely from revenues received with respect to the related project. The Bonds are separately secured from such other bonds issues; accordingly, revenues pledged to the Bonds are not available to pay other bond issues and revenues relating to other bond issues are not available to pay the Bonds. Revenue bonds issued by the Issuer (other than the Bonds) have been, and may be, in default as to principal and/or interest.

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

THE BONDS

Terms of Bonds Generally

The Bonds shall be issued in Authorized Denominations. The Bonds will be dated as of the date of delivery, will initially bear interest at the Initial Interest Rate and will mature on June 1, 2028* (the “Maturity Date”), subject to mandatory tender for purchase or mandatory redemption on the Initial Mandatory Tender Date and to redemption on any Redemption Date. Interest will be payable on each Interest Payment Date in accordance with the provisions of the Indenture. Interest will be calculated and be due on the basis of a 360-day year consisting of twelve 30-day months.

Bond Debt Service shall be payable in lawful money of the United States of America without deduction for the services of the Trustee. Except as set forth in the Indenture and in the subcaption “Book-Entry Only System,” below, (a) the principal of any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the Designated Office of the Trustee or at the office designated in writing by the Trustee, 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 on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein. See “BOOK-ENTRY ONLY SYSTEM” below.

Optional Redemption

The Bonds are subject to optional redemption, in whole but not in part, by the Issuer at the written direction of the Borrower on any date on or after the later to occur of (i) the date the Project is complete and placed in service by the Borrower for purposes of Section 42 of the Code and (ii) the Optional Redemption Date (the “Optional Redemption Date”) at a redemption price equal to 100% of the principal amount of the Bonds plus accrued interest, but without premium, to the Optional Redemption Date.

After 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 (with delivery of a Cash Flow Projection and written notice to the Trustee at least 30 days prior to the proposed redemption date and, in the case of a redemption in part, specifying the principal amount of the Bonds to be redeemed) 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.

Mandatory Redemption

The Bonds are subject to mandatory redemption in whole at a redemption price of 100% of the Outstanding principal amount thereof, plus accrued interest to the Redemption Date, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has previously elected not to cause the remarketing of the Bonds; (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein; or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local

* Preliminary; subject to change.

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 Bond Fund, and (iv) any other Eligible Funds available or made available for such purpose at the written direction of the Borrower.

Notice of Redemption

Unless waived by any Holder of Bonds to be redeemed, official notice of redemption will be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail, postage prepaid, return receipt requested, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 20 days nor more than 30 days prior to the date fixed for redemption. A second notice of redemption will be given, as soon as practicable, by registered or certified 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 30 days following the date fixed for redemption of that Bond.

All official notices of redemption shall be dated and shall state:

- (a) the redemption date,
- (b) the redemption price,
- (c) if less than all Outstanding Bonds are to be redeemed, the identification by designation, letters, numbers or other distinguishing marks of the Bonds to be redeemed,
- (d) that on the Redemption Date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (e) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Designated Office of the Trustee.

If the Bonds are not then held in a Book-Entry System, in addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(a) Each further notice of redemption given under the Indenture shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information deemed necessary in the sole discretion of the Trustee to identify accurately the Bonds being redeemed.

(b) Each further notice of redemption shall be sent at least 15 days before the Redemption Date by telecopy, registered or certified mail or overnight delivery service to all registered securities depositories known to the Trustee to be then in the business of holding substantial amounts of obligations of types comprising the Bonds and to the Electronic Municipal Market Access ("EMMA") or if EMMA is not in existence to one or more national information services that disseminate notices of redemption of obligations such as the Bonds. "*Information Service*" means in accordance with then-current guidelines of the Securities and Exchange Commission, the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor entity or entities designated by the Securities and Exchange Commission.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number (if any) identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Failure to receive notice by mailing or any defect in that notice regarding any Bond, however, shall not affect the validity of the proceedings for the redemption of any other Bond.

Notice of any redemption under the Indenture with respect to Bonds held under a Book-Entry System shall be given by the Trustee only to the Depository, or its nominee, as the Holder of such Bonds, in the manner required by the Depository. Selection of Beneficial Ownership Interests in the Bonds called for redemption and notice of redemption to the Beneficial Owners are the responsibility of the Depository and any failure of such Depository to notify the Beneficial Owners of any such notice and its contents or effect will not affect the validity of such notice of any proceedings for the redemption of such Bonds. Notices of redemption may state that no representation is made as to the accuracy or correctness of the CUSIP number or numbers provided thereon or on the Bonds.

Payment of Redeemed Bonds

Notice having been mailed in the manner provided in the Indenture, the Bonds and portions thereof called for redemption shall become due and payable on the Redemption Date, and upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, including interest accrued to the Redemption Date.

Upon the payment of the price of Bonds being redeemed or prepaid, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed or prepaid with the proceeds of such check or other transfer.

If money for the redemption of all of the Bonds and portions thereof to be redeemed, together with interest accrued thereon to the Redemption Date, is held by the Trustee on the Redemption Date, so as to be available therefor on that date and if notice of redemption has been deposited in the mail as aforesaid, then from and after the Redemption Date those Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be Outstanding under the Indenture. If such money shall not be so available on the redemption date, or that notice shall not have been deposited in the mail as aforesaid, those Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All money deposited in the Bond Fund and held by the Trustee for the redemption, purchase or prepayment of particular Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Bonds.

Book-Entry Only System

The information in this section concerning The Depository Trust Company ("DTC") and DTC's Book-Entry System has been obtained from DTC and has not been independently verified by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof, is made by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees.

The Depository Trust Company ("DTC"), Brooklyn, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount of such issue, and will be deposited with, or held by the Trustee as custodian for, 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”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 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 (the “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.

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 the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

Trustee, on payment dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and redemption or purchase price payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but neither the Issuer nor the Borrower takes any responsibility for the accuracy thereof.

Additional Bonds

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

Registration and Transfer of Bonds Upon Discontinuation of Book-Entry System

So long as any of the Bonds remain Outstanding, the registration and transfer of Bonds, as provided in the Indenture, will be maintained and kept at the Designated Office of the Trustee.

Subject to the provisions of the Indenture, any Bond may be transferred upon the Register, upon presentation and surrender thereof at the Designated Office of the Trustee, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Trustee. Upon transfer of any Bond and on request of the Trustee, the Issuer shall execute in the name of the transferee, and the Trustee shall authenticate and deliver, a new Bond or Bonds, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be transferred under the Indenture, the Issuer shall execute, and the Trustee shall authenticate and deliver, Bonds in accordance with the provisions of the Indenture. The transfer shall be made without charge; provided, that the Issuer and the Trustee may make a charge for every exchange or transfer of Bonds sufficient to reimburse them for any tax or excise required to be paid with respect to the transfer. The charge shall be paid before a new Bond is delivered.

All Bonds issued upon any transfer of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under the Indenture, as the Bonds surrendered upon transfer.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

At all times, the Bonds will be secured by amounts on deposit in the Indenture, which shall constitute Eligible Funds and invested in Eligible Investments and such amounts will be sufficient, along with investment earnings thereon, without the need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of any Redemption Date or any Mandatory Tender Date, as further described herein.

The Bonds will be secured under the Indenture by all right, title and interest of the Issuer in and to (i) the Revenues, including, without limitation, all Loan Payments, Eligible Funds and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the 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 on its behalf, or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, (iv) the Note, and (v) the Loan Agreement (the foregoing collectively referred to as the “Trust Estate”). Amounts deposited into the Special Funds and the Rebate Fund are to be invested in Eligible Investments. See “APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE — Investment of Special Funds and Rebate Fund” hereto.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE UNDER THE INDENTURE. NEITHER THE ISSUER, ANY OF ITS MEMBERS, THE STATE, THE SPONSOR, NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) NOR ANY PUBLIC AGENCY SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER EXCEPT AS SET FORTH IN THE INDENTURE, AND NONE OF THE BONDS OR ANY OF THE ISSUER’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF OR A PLEDGE OF THE FAITH AND CREDIT OF OR A LOAN OF THE CREDIT OF OR A MORAL OBLIGATION OF ANY OF THE FOREGOING WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.

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 1950 Webberville Road (TX) Owner LP, a Texas limited partnership (the “Borrower”). The Borrower is a single-purpose entity formed to acquire, construct, rehabilitate and operate the Project. The Borrower’s General Partner is AAHC Heritage Pointe GP, LLC, a Texas limited liability company (the “General Partner”), and the Borrower’s class B limited partner is 1950 Webberville Road (TX) SLP LLC, a Texas limited liability company (the “Class B Limited Partner”).

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

The Developer

1950 Webberville Road (TX) Developer LLC, a Delaware limited liability company (the “Developer”), is the developer for the Project. The Developer is a single purpose entity that is affiliated with April Housing, a Blackstone portfolio company (“April”). April is a leading provider of solutions and capital for the creation and preservation of high-quality affordable housing throughout the United States. April’s portfolio comprises affordable housing units acquired by Blackstone Real Estate Income Trust (BREIT). The company’s commitment to preserving

affordability of this critical housing stock on a long-term basis is made possible by perpetual capital from BREIT. The company is headquartered in Los Angeles and oversees one of the nation's largest LIHTC portfolios.

Investor Limited Partner

The Borrower has admitted PNC Bank, National Association, a national banking association (or an affiliate thereof), in its capacity as investor limited partner of the Borrower, and Columbia Housing SLP Corporation, an Oregon corporation, as nominee (collectively, the "Investor Limited Partner") to the Borrower in exchange for equity contributions based primarily on the receipt of certain benefits from the Project's federal low-income housing tax credits. The funding of the federal low income housing tax credit equity by the Investor Limited Partner is expected to total approximately \$23,289,797.76*. The funding level and the timing of the funding are subject to numerous adjustments and conditions that could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and no representation is made as to the availability of such funds.

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

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

The Borrower and its partners will not be personally liable for payments on the Note, the payments on which are to be applied to pay the principal of and interest on the Bonds; nor will the Borrower be personally liable under the other documents executed in connection with the issuance of the Bonds and the making of the loans evidenced by the Note. Furthermore, no representation is made that the Borrower will have 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 Architect

The architect for the Project is Benton Design Group (the "Architect"). The Architect is not an affiliate of the Developer. The Architect started in 2015 and demonstrates considerable affordable, LIHTC, HUD and senior housing experience. The Architect has designed the new construction or renovation of many rehabilitation, civic and commercial projects, with a focus on affordable multifamily housing.

The General Contractor

The general contractor for the Project is MFIB AZ, LLC, an Arizona limited liability company (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based out of Scottsdale, Arizona, the General Contractor was formed in 2017 and is a licensed contractor in Austin, Dallas and El Paso, Texas. Since inception, the General Contractor has built or rehabilitated over 10,350 units of affordable apartments.

The Property Manager

Orion Real Estate Services Texas, LLC, a Texas limited liability company (the "Property Manager"), will manage the Project. The Property Manager is not an affiliate of the Developer. The Property Manager presently manages approximately 35,000 multifamily housing units in Dallas, Denver, and San Antonio. The Property Manager

* Preliminary; subject to change.

has seven years of experience managing affordable housing supported by various federal, state and local subsidies including HUD, tax-exempt obligations and federal low-income housing tax credits.

THE PROJECT

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

The Project, known as Heritage Pointe Seniors Apartments, is located in Austin, Texas, on an approximately 10.17-acre site. The Project will contain 240 apartment units located in one building.

Rehabilitation of the Project commenced in September 2024. It is approximately 84% completed and is estimated to be completed in December 2025*. There can be no assurance that this schedule will be met. As of the date hereof, the Borrower has spent a total of \$53,049,160.92 on Project costs.

The Project consists of one building, including 240 residential units with community space. Common area and site amenities will include: a pool, a new dog park, billiards parlor and game room, beauty/barber shop, technology center, and library. There are 244 parking spaces for resident use only.

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

<u>Unit Type</u>	<u>Number</u>	<u>Approximate Square Feet</u>
1 BD	200	798
2 BD	<u>40</u>	1,103
Total	240	

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* Preliminary; subject to change.

Plan of Financing

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

Sources of Funds*

Series A Bonds	\$22,565,000.00
Series B Bonds (Par)	6,357,000.00
Series B Bonds (Premium)	377,605.80
Series 2025 (Supplemental Bonds)	5,100,000.00
Seller Note	21,716,000.00
Tax Credit Equity ¹	23,289,797.76
GP Equity	100.00
Deferred Developer Fee	6,941,474.04
RET and Interest Cap Income	459,312.34
Seller Loan Interest	1,265,318.93
Income from Operations	<u>2,911,750.55</u>
Total	<u>\$90,983,359.42</u>

Uses of Funds

Acquisition	\$32,054,352.40
Rehabilitation Cost	19,223,983.99
Financing Cost	9,497,271.32
Soft Costs	2,691,392.40
Reserves	4,604,209.00
Developer Fee	6,996,635.31
Seller Note Payback at Conversion	4,458,515.00
Repayment of Supplemental Bonds	5,100,000.00
Repayment of Series B Bonds	<u>6,357,000.00</u>
Total	<u>\$90,983,359.42</u>

¹ A portion of the Tax Credit Equity is expected to be initially funded using the Bridge Loan which will be repaid with capital contributions from the Investor Limited Partner pursuant to the amended and restated agreement of limited partnership of the Borrower.

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

The Construction Loan and Bridge Loan. The Project utilizes a construction loan in the principal amount of \$19,624,000* (the "Construction Loan"). The obligation to repay the Construction Loan is set forth in a promissory note (the "Construction Loan Note") from the Borrower to PNC Bank, National Association, a national banking association (in its capacity as the maker of the Bridge Loan and Construction Loan, the "Construction Lender"), and will be repayable with proceeds of the Permanent Loan. The Construction Loan Note is secured by a deed of trust against the Project, capital contributions from Investor Limited Partner and ownership interests in Borrower. The Construction Loan Note has a term of 36* months (with option for one six-month extension) and bears interest approximately equal to Daily 1M SOFR plus the SOFR Adjustment per annum (as those terms are defined in the Construction Loan Note) plus 2.40%* per annum, subject to an interest rate cap, with principal and interest not otherwise paid, due at maturity.

The Project will also utilize an equity bridge loan in the principal amount of up to \$16,900,000* (the "Bridge Loan") from PNC Bank, National Association, a national banking association (in its capacity as maker of the Bridge Loan, the "Bridge Lender"). The obligation to repay the equity Bridge Loan will be set forth in a promissory note (the "Bridge Note") from the Borrower to the Bridge Lender. The Bridge Note will be secured by a deed of trust against the Project, capital contributions from Investor Limited Partner and ownership interests in Borrower. The Bridge Note will have a term of 60* months and will bear interest at a rate approximately equal to the Daily 1M SOFR

* Preliminary; subject to change.

plus the SOFR Adjustment (as those terms are defined in the Bridge Note) plus 2.40%* per annum, subject to an interest rate cap, with principal and interest not otherwise paid, due at maturity. Proceeds of the Bridge Loan will be disbursed from time to time by the Bridge Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to pay Project Costs.

The Permanent Loan and the Bonds. The Project utilizes a mortgage loan in the principal amount of \$19,624,000* (the “Permanent Loan”) from PNC Bank, National Association, a national banking association (the “Permanent Lender”). The obligation to repay the Permanent Loan will be set forth in a promissory note (the “Mortgage Note”) from the Borrower to the Permanent Lender, which Mortgage Note will have a term of not less than 180* months, will bear interest at a rate of 5.23%* and will amortize over 40* years.

The Tax Credit Equity. The Borrower has sold to the Investor Limited Partner a 99.99% ownership interest in the Borrower. Pursuant to the sale, the funding of the Tax Credit Equity totals approximately \$23,289,797.76* with \$2,049,046* contributed to date. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Deferred Developer Fee. The Project utilizes a deferred developer fee in the amount of \$6,941,474.04* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

Seller Loan. The Project also utilizes a seller loan in the principal amount of \$21,716,000* (the “Seller Loan”). The obligation to repay the Seller Loan is set forth in a promissory note (the “Seller Note”) from the Borrower to Eagle’s Point Housing Partners, Ltd., as maker of the Seller Loan (the “Seller Lender”), and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The Seller Note is secured by a subordinate mortgage against the Project subordinate to the Mortgage Loan. The Seller Note has a term of 40* years and bears interest at a rate of 4.37%* per annum, with annual principal and interest not otherwise paid, due at maturity.

Project Regulation

In order to obtain low income housing tax credits, the Project will be operated as a qualified residential rental project with 100% of the residential units in the Project occupied by Qualified Tenants during the Qualified Project Period, in accordance with Section 142(d) of the Code and other statutes and regulations. See “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement (defined below), the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the “Tax Credit Units”).

193 of the Tax Credit Units (80.4%) 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 and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 60% of AMI, adjusted for family size. 240 of the Tax Credit Units (100%) shall be held available for rental to persons whose adjusted family income is equal to or less than 80% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 80% of AMI, adjusted for family size.

* Preliminary; subject to change.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement, there are existing restrictive covenants on the Project including a Declaration of Land Use Restrictive Covenants/Land Use Restriction Agreement for Low-Income Housing Credits by and among Eagles Point Housing Partners, Ltd., and the Texas Department of Housing and Community Affairs dated as of December 15, 2005 (as amended from time to time).

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds expected to be deposited under the Indenture upon closing are to be applied as follows:

Sources of Funds	
Bond Proceeds	\$ _____
Total	\$ _____
 Uses of Funds	
Project Fund	\$ _____
Total	\$ _____

CERTAIN HOLDERS' 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.

Limited Security; Investment of Funds

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

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

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture, together with investment earnings thereon. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited into the Bond Proceeds Fund. The Trustee is required to invest amounts held in the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund in Eligible Investments, as defined in the Indenture. See "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE — Investment of Special Funds and Rebate Fund." Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

No Acceleration or Early Redemption Upon Loss of Tax Exemption on the Bonds

The Borrower will covenant and agree, pursuant to the Regulatory Agreement, to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. In particular, the Borrower is required to rent at least forty percent (40%) of the Project apartment units to certain qualified tenants whose income does not exceed sixty percent (60%) of the area average median income where the Project is located. The Borrower's failure to comply with such provisions will not constitute a default under the Bonds and will not give rise to a redemption or acceleration of the Bonds and is not the basis for an increase in the rate of interest payable on the Bonds. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of the Borrower's failure to comply with the requirements of federal tax law.

Early Redemption of the Bonds

Any person who purchases a Bond should consider the fact that the Bonds are subject to redemption prior to their stated maturity date, upon the occurrence of certain events. See “THE BONDS”.

Future Determination of Taxability of the Bonds

THE BONDS ARE NOT SUBJECT TO REDEMPTION UPON ANY DETERMINATION OF TAXABILITY OF INTEREST ON THE BONDS. IN ADDITION, THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT IF THE INTEREST ON THE BONDS BECOMES INCLUDED IN GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION. Such event could occur if the Borrower (or any subsequent owner of the Project) does not maintain the Project as a “qualified residential rental project” for the Qualified Project Period, or does not comply with other provisions of certain tax-related agreements executed in connection with the Bonds which are designed to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with such provisions could cause the interest on the Bonds to be or become taxable to the Holders for federal income tax purposes from the date of original issuance.

Issuer Limited Liability

The Bonds are special limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein. The Holders 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 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.

Eligible Investments

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

Rating Based on Eligible Investments

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

Future Legislation; IRS Examination

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

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

Potential Impact of Pandemics 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 including the Appendices hereto.

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 trade 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.

TAX MATTERS

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the approving opinion of Coats Rose, P.C., Austin, Texas, Bond Counsel, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix F.

Federal Income Taxes

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds for interest on the Bonds to be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code. Noncompliance with such requirements may cause interest on the Bonds to be included in gross income of the owners thereof retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs.

The Issuer, the Trustee and the Borrower have covenanted to do and perform all acts and things permitted by law and necessary to assure that interest paid on the Bonds be and remain excluded from gross income of the owners thereof for federal income tax purposes under Section 103(a) of the Code (the "Covenants"). The Tax Regulatory Agreement and No Arbitrage Certificate and the Regulatory Agreement, both entered into among the Issuer, the Trustee and the Borrower with respect to the Bonds (the "Tax Agreements"), which will be delivered concurrently

with the delivery of the Bonds, will contain provisions and procedures regarding compliance with the requirements of the Code. The Issuer and the Borrower, in executing the Tax Agreements, will certify to the effect that the Issuer and the Borrower expect and intend to comply with the provisions and procedures contained therein.

In rendering the opinions described below with respect to the Bonds, Bond Counsel has relied upon the Covenants and has assumed the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Agreements. However, Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Certain requirements and procedures contained or referred to in the Indenture, the Tax Agreements and other relevant documents may be changed and certain actions (including, without limitation, defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Coats Rose, P.C.

Tax Opinions

In the opinion of Coats Rose, P.C., Austin, Texas, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming continuing compliance by the Issuer and the Borrower with their respective Covenants and the Tax Agreements, interest on the Bonds is excludible from gross income for federal income tax purposes under Section 103(a) of the Code; provided, however, that no opinion is expressed as to the status of interest on any Bond during any period that it is held by a “substantial user” of the facilities financed with proceeds of the Bonds or a “related person” of such “substantial user” as such quoted terms are defined for purposes of Section 147(a) of the Code.

In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference under Section 57(a) of the Code in computing the federal alternative minimum tax for individuals and corporations. However, interest on the Bonds is included in the “adjusted financial statement income” (as determined under Section 56A of the Code) of “applicable corporations” (as defined in Section 59 of the Code) for purposes of determining the alternative minimum tax under section 55 of the Code applicable to such “applicable corporations.”

Ownership of the Bonds may result in certain collateral federal income tax consequences to certain Bondholders.

Certain Federal and State Tax Consequences

The following is a discussion of certain federal and state income tax matters under existing statutes. It does not purport to deal with all aspects of federal or state taxation that may be relevant to particular bondholders of the Bonds.

Although Bond Counsel has rendered an opinion that, with certain assumptions, interest on the Bonds is excludible from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Bondholder’s federal, state or local tax liabilities. The nature and extent of these other tax consequences may depend upon the particular tax status of the Bondholder or the Bondholder’s other items of income or deduction. Bond Counsel expresses no opinions regarding any tax consequences other than what is set forth in its opinion, and each Bondholder or potential Bondholder is urged to consult with tax counsel with respect to the effects of purchasing, holding or disposing of the Bonds on the tax liabilities of the individual or entity.

For example, ownership or disposition of the Bonds may result in other collateral federal, state or local tax consequence for certain taxpayers, including, without limitation, increasing the federal tax liability of certain foreign corporations subject to the branch profits tax imposed by Section 884 of the Code, increasing the federal tax liability of certain insurance companies under Section 832 of the Code, increasing the federal tax liability and affecting the status of certain S Corporations subject to Sections 1362 and 1375 of the Code, and increasing the federal tax liability

of certain individual recipients of Social Security or Railroad Retirement benefits under Section 86 of the Code. Ownership of the Bonds may also result in the limitation of interest, and certain other deductions for financial institutions and certain other taxpayers under Section 265 of the Code.

Changes in Federal and/or State Tax Law

From time to time, legislative proposals are pending in Congress that if enacted would alter or amend one or more of the federal tax matters referred to above in certain respects or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any of such proposals, either pending or that could be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced that, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the bonds or the market value thereof would be impacted thereby.

Information Reporting Requirement

Interest on tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. In general, such information reporting requirements are satisfied if the bondholder completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or the bondholder is one of a limited class of exempt recipients, such as corporations. Backup withholding (i.e., the requirement for the payor to deduct and withhold a tax, calculated in the manner determined under the Code, from the interest payment) may be imposed on payments made to any bondholder who fails to provide certain required information, including an accurate taxpayer identification number, to any person required to collect such information under Section 6049 of the Code. Neither compliance with this reporting requirement nor backup withholding, in and of itself, affects or alters the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Acquisition Premium

"Acquisition Premium" is the excess of the cost of an obligation over the stated redemption price of such obligation at maturity or, for obligations that have one or more earlier call dates, the amount payable at the next earliest call date. The Bonds that have an issue price that is higher than their stated redemption price at maturity (as shown on the maturity schedule on the inside cover page hereof) are being initially offered and sold to the public at an Acquisition Premium (the "Premium Bonds"). For federal income tax purposes, the amount of Acquisition Premium on each obligation the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt obligations") must be amortized and will reduce the holder's adjusted basis in that obligation. However, no amount of amortized Acquisition Premium on tax-exempt obligations may be deducted in determining a holder's taxable income for federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds, or on any of the Bonds, that must be amortized during any period will be based on the "constant yield" method, using the original holder's basis in such obligations and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Holders of any Bonds, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A BONDHOLDER'S PARTICULAR SITUATION. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE BONDS UNDER APPLICABLE STATE OR LOCAL LAWS, INCLUDING THE EFFECT OF ANY PENDING OR PROPOSED LEGISLATION, REGULATORY INITIATIVES OR LITIGATION. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR

OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

BOND COUNSEL'S OPINIONS ARE BASED ON EXISTING LEGISLATION AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY AUTHORITIES AS OF THE DATE OF ISSUANCE AND DELIVERY OF THE BONDS. SUCH OPINIONS ARE FURTHER BASED ON BOND COUNSEL'S KNOWLEDGE OF FACTS AS OF THE DATE THEREOF. BOND COUNSEL ASSUMES NO DUTY TO UPDATE OR SUPPLEMENT ITS OPINIONS TO REFLECT ANY FACTS OR CIRCUMSTANCES THAT MAY THEREAFTER COME TO BOND COUNSEL'S ATTENTION OR TO REFLECT ANY CHANGES IN ANY LAW THAT MAY THEREAFTER OCCUR OR BECOME EFFECTIVE. MOREOVER, BOND COUNSEL'S OPINIONS ARE NOT A GUARANTEE OF RESULT AND ARE NOT BINDING ON THE INTERNAL REVENUE SERVICE (THE "SERVICE"); RATHER, SUCH OPINIONS REPRESENT BOND COUNSEL'S LEGAL JUDGMENT BASED UPON ITS REVIEW OF EXISTING LAW AND IN RELIANCE UPON THE REPRESENTATIONS AND COVENANTS REFERENCED ABOVE THAT IT DEEMS RELEVANT TO SUCH OPINIONS.

THE SERVICE HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE SERVICE WILL COMMENCE AN AUDIT OF THE BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES, THE SERVICE IS LIKELY TO TREAT THE ISSUER AS THE TAXPAYER AND THE BONDHOLDERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE BONDS COULD ADVERSELY AFFECT THE VALUE OF THE BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

RATING

Moody's Investors Service, Inc. (the "Rating Agency") has assigned to the Bonds the ratings set forth on the cover page hereof. An explanation of the significance of such ratings may be obtained from the Rating Agency. The ratings of the Bonds reflect only the views of the Rating Agency at the time such ratings were given, and neither the Issuer nor the Borrower nor the Underwriter makes any representation as to the appropriateness of the ratings. The ratings are not a recommendation to buy, sell, or hold the Bonds. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the Rating Agency, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

Prior to the issuance of the Bonds, the Borrower will execute and deliver a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") with Wilmington Trust, National Association, a national banking association (the "Dissemination Agent"), 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"). Certain financial information and operating data will be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access (EMMA) system, unless otherwise directed by the MSRB. The form of the Continuing Disclosure Agreement is attached hereto as APPENDIX E.

A failure by the Borrower to comply with the provisions of the Continuing Disclosure Agreement will not constitute a default under the Indenture or the Loan Agreement (although Holders will have any available remedy at law or in equity for obtaining necessary disclosures). Nevertheless, such a failure to comply is required to be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds.

The Borrower previously entered into a Continuing Disclosure Agreement, between the Borrower and the Dissemination Agent, dated September 1, 2024 in relation to the issuance of the Prior Bonds (the “Prior Continuing Disclosure Agreement”) and has complied with the undertakings under the Rule during the five-year period prior to the date of this Official Statement.

CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to an approving opinion of Coats Rose, P.C., Austin, Texas, Bond Counsel to the Issuer. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix F hereto. Certain legal matters will be passed upon for the Borrower by its counsel, Baker Hostetler, Chicago, Illinois, 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.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering those opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

ABSENCE OF LITIGATION

The Issuer

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

The Borrower

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

ADDITIONAL INFORMATION

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

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

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in 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 or the Borrower and the owners of any of the Bonds.

[Signature pages to follow]

IN WITNESS WHEREOF, the foregoing Official Statement has been executed by the undersigned as of the date first written above.

1950 WEBBERVILLE ROAD (TX) OWNER LP,
a Texas limited partnership

By: AAHC Heritage Pointe GP, LLC,
a Texas limited liability company,
its general partner

By: Austin Affordable Housing Corporation,
a Texas nonprofit corporation,
its sole member

By: _____
Ron Kowal
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 the Texas Public Facility Corporations Act, Chapter 303, as amended, of the Texas Local Government Code, as amended.

“Act of Bankruptcy” means 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, other than Loan Payments, 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 and Expenses.

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

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

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

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

“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 Coats Rose, P.C. or such other counsel acceptable to the Issuer and 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 Debt Service” 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 or acceleration.

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

“Bond Payment Date” means each Interest Payment Date and any other date Bond Debt Service on the Bonds are due, including the Maturity Date, any Redemption Date, or upon acceleration or otherwise.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated as of November __, 2025, among the Underwriter, the Issuer and the Borrower.

“Bond Resolution” means the certain resolution relating to the issuance and sale of the Bonds, adopted by the Governing Body on October 16, 2025.

“Bonds” means the Austin Affordable PFC, Inc. Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2025 authorized in the Bond Resolution and the Indenture in the aggregate principal amount of \$5,100,000*.

“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 or its custodian and (b) the ownership of Bonds 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.

“Borrower” means 1950 Webberville Road (TX) Owner LP, a Texas limited partnership, the General Partner of which is AAHC Heritage Pointe GP, LLC, a Texas limited liability company.

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

“Bridge Lender” means PNC Bank, National Association, a national banking association, in its capacity as maker of the Bridge Loan.

“Bridge Loan” means the loan from the Bridge Lender to the Borrower in the amount up to \$16,900,000*.

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

“Cash Flow Projection” means a cash flow projection prepared by an Independent firm of certified public accountants, a financial advisory firm, a law firm or other Independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Rating Agency, establishing, to the satisfaction of the Rating Agency, the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Special Funds during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower to pay Bond Debt Service 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 and (iii) a release of

* Preliminary; subject to change.

Eligible Funds from the Negative Arbitrage Account as provided in the Indenture and (iv) the purchase, sale or exchange of Eligible Investments as provided in the Indenture.

“Closing Date” means November __, 2025.

“Code” means the Internal Revenue Code of 1986, as amended, and as in full force and effect on the date of the Indenture.

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

“Collateral Payments” means the amounts, consisting of Eligible Funds (excluding, however, proceeds of the Bonds) paid by or for the benefit of the Borrower with respect to the repayment of the Loan for deposit into the Collateral Fund pursuant to the terms of the Loan Agreement, and the Indenture, as a prerequisite to the advance of money in the Project Fund.

“Completion Certificate” means the Completion Certificate in the form attached to the Loan Agreement.

“Construction Lender” means PNC Bank, National Association, a national banking association, in its capacity as maker of the Construction Loan and as the context may require the Bridge Loan, and its successors and assigns.

“Construction Loan” means that certain construction loan from the Construction Lender to the Borrower in the original principal amount of \$19,624,000*.

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, and as the context may require, in connection with the Bridge Loan, all as amended, restated, modified, or supplemented from time to time.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of November 1, 2025, 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.

“Controlling Holders” means in the case of consent or direction to be given under the Indenture, the Holders of the majority in aggregate principal amount of the Outstanding Bonds.

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

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

“County” means Travis County, Texas.

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

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

* Preliminary; subject to change.

“Dissemination Agent” means the Trustee, or any successor, in its capacity 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, which fee shall be included as part of the Ordinary Trustee Fees and Expenses, 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), Brooklyn, New York, and its successors or assigns.

“DTC Participant” means any participant contracting with DTC under its Book-Entry system and includes securities brokers and dealers, banks and trust companies and clearing corporations.

“Eastern Time” means Eastern Time (daylight or standard, as applicable) in Austin, Texas.

“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 for the Bonds pursuant to the Bond Purchase Agreement and proceeds of the Bonds invested in Eligible Investments;

(b) moneys drawn on a letter of credit;

(c) moneys received by the Trustee representing advances to the Borrower of proceeds of the Bridge Loan;

(d) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase and/or remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds;

(e) any other amounts for which the Trustee has received an Opinion of Counsel to the effect that 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) or be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should 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 money described in (a) through (e).

“Eligible Investments” means, subject to the provisions of the Indenture, to the extent authorized under State law any of the following investments which have an interest accrual period, interest payment dates, principal payment dates and mature (or are redeemable without loss or penalty at the option of the Trustee) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture;

(a) Government Obligations; and

(b) Shares or units in any other money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Rating Category given by a 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 is limited to Government Obligations.

“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.

“Extension Deposit” means the amount due, if any, to provide adequate additional funds for the payment of principal and interest due with respect to the Bonds during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture and which shall be determined by a Cash Flow Projection.

“Extraordinary Issuer Fees and Expenses” means the fees (in addition to the Ordinary Issuer Fees), expenses and disbursements payable to the Issuer under the Loan Agreement or any other Financing Documents for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Bond Counsel and Issuer’s Counsel 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 any other Financing Documents, other than Ordinary Trustee Fees and Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“Extraordinary Trustee Fees and Expenses” means the expenses and disbursements payable to the Trustee under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Trustee and the Trustee’s counsel which are to be paid by the Borrower pursuant to the Loan Agreement.

“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” of the bonds or a “related person” to such “substantial user, each as defined in the Code).

“Financing Documents” means the Indenture, the Bonds, the Loan Agreement, the Note, the Tax Certificate, the Regulatory Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement and any other instrument or document executed in connection with, and that govern, secure, and/or evidence the Bonds, together with all modifications, extensions, renewals and replacements thereof.

“Fiscal Year” means, with respect to a Person, that period beginning on January 1 of each year and ending on December 31 of that year or such other fiscal year as shall be designated by such Person as its annual accounting period.

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

“Government” means the government of the United States of America, any political subdivision of the United States of America (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 long term rating (if applicable) shall not be below “Aa1” or “Aa1/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

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

“Indenture” means the Trust Indenture, dated as of November 1, 2025, between the Issuer and the Trustee, as amended or supplemented from time to time.

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

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

“Initial Deposit” means funds to be deposited as provided in the Indenture.

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

“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) June 1 and December 1 of each year beginning June 1, 2026*, (b) each Redemption Date, (c) the Maturity Date and (d) 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 ____% per annum.

“Interest Rate for Advances” means the rate per annum which is 2% per annum plus that interest rate announced by the Trustee in its lending capacity as a bank as its “Prime Rate” or its “Base Rate.”

“Investor Limited Partner” means, collectively, PNC Bank, National Association, a national banking association, in its capacity as investor limited partner of the Borrower, Columbia Housing SLP Corporation, an Oregon corporation, as nominee, and their successors and/or assigns.

“Issuer” means the Austin Affordable PFC, Inc., a nonprofit public facility corporation organized and existing under the laws of the State, together with its successors and assigns, in its capacity as issuer of the Bonds

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

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

* Preliminary; subject to change.

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

“Loan Agreement” means the Loan Agreement dated as of November 1, 2025, 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.

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

“Local Time” means Eastern Time (daylight or standard, as applicable) in Austin, Texas.

“Mandatory Redemption Date” means any date on which the Bonds are subject to mandatory redemption pursuant to the Indenture, as such date may be extended pursuant to the Indenture.

“Mandatory Tender Date” means (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 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 June 1, 2028*.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by the Underwriter, that assigns credit ratings.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Bond 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 as an exhibit to the Loan Agreement and in the principal amount of \$5,100,000*, evidencing the obligation of the Borrower to make 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.

“Optional Redemption Date” means any date on or after June 1, 2027* or, in the event of a remarketing of the Bonds, such date as may be established on the Remarketing Date.

“Ordinary Issuer Fees and Expenses” means a commitment fee due on the Closing Date equal to \$13,500*.

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

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, including, but not limited to, (i) the annual administrative fee of the Trustee payable annually in advance on the Closing Date and on each November 1 thereafter while the Bonds are Outstanding in an annual amount equal to \$10,000; and (ii) the acceptance fee of the Trustee of \$3,500 payable on the Closing Date; provided, however, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to money withdrawn from the Costs of Issuance Fund and the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and

* Preliminary; subject to change.

Expenses pursuant to the Loan Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid directly by the Borrower pursuant to the Loan Agreement.

“Organizational Documents” means the Amended and Restated Agreement of Limited Partnership dated as of September 17, 2024, of the Borrower, as amended.

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

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

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

“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 of 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.

“Prior Bonds” means, collectively, the \$22,565,000 Multifamily Housing Revenue Bonds (Fannie Mae MBS Secured) (Heritage Pointe Seniors Apartments) Series 2024A and \$6,357,000 Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2024B.

“Project” means the acquisition, rehabilitation, furnishing and equipping by the Borrower of an approximately 240-unit residential rental housing development located in Austin, Texas, and known as Heritage Pointe Seniors Apartments.

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

“Qualified Project Costs” means Costs of the Project that are (i) properly chargeable to capital account (or would be so chargeable with a proper election by the Borrower or but for a proper election by the Borrower to deduct such costs) in accordance with general Federal income tax principles and in accordance with United States Treasury Regulations Section 1.103-8(a)(1), (ii) are paid with respect to a qualified residential rental project or projects within the meaning of Section 142(d) of the Code, (iii) are paid after the earlier of 60 days prior to the date of a resolution of the Issuer to reimburse Costs of the Project with proceeds of Bonds (i.e., 60 days prior to July 19, 2019), and (iv) if the Costs of the Project were previously paid and are to be reimbursed with proceeds of the Bonds such costs were preliminary capital expenditures (within the meaning of United States Treasury Regulations Section 1.150-2(f)(2)) with respect to the Project (such as architectural, engineering and soil testing services) incurred before commencement of acquisition or rehabilitation of the Project that do not exceed twenty percent (20%) of the issue price of the Bonds (as defined in United States Treasury Regulations Section 1.148-1), or (C) were capital expenditures with respect to

the Project that are reimbursed no later than eighteen (18) months after the later of the date the expenditure was paid or the date the Project is placed in service (but no later than three (3) years after the expenditure is paid); provided however, that if any portion of the Project is being constructed or developed by the Borrower or an Affiliate (whether as a developer, a general contractor or a subcontractor), “Cost,” “Costs” or “Costs of the Project” shall include only (a) the actual out-of-pocket costs incurred by the Borrower or such Affiliate in developing or constructing the Project (or any portion thereof), (b) any reasonable fees for supervisory services actually rendered by the Borrower or such Affiliate (but excluding any profit component) and (c) any overhead expenses incurred by the Borrower such Affiliate which are directly attributable to the work performed on the Project, and shall not include, for example, intercompany profits resulting from members of an affiliated group (within the meaning of Section 1504 of the Code) participating in the construction or development of the Project or payments received by such Affiliate due to early completion of the Project (or any portion thereof).

“**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 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. Initially the Rebate Analyst is Tiber Hudson LLC.

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

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

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

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

“**Regular Record Date**” means, with respect to any Bond, the fifteenth day of the calendar month preceding an Interest Payment Date.

“**Regulatory Agreement**” means the Amended and Restated Regulatory Agreement dated as of November 1, 2025, among the Issuer, the Borrower and the Trustee.

“**Remarketing Agent**” means initially Stifel, Nicolaus & Company, Incorporated, and thereafter any successor Remarketing Agent (which meets the requirements of the Indenture) that may be appointed by the Borrower.

“**Remarketing Agreement**” means the Remarketing Agreement, dated as of November 1, 2025, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

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

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

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

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the 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 Loan Agreement, (b) all rights which the Issuer or its members, directors, officers, officials, 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 members, directors, officers, officials, 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 inspection rights of the Issuer, (e) 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; (f) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and (g) all enforcement remedies with respect to the foregoing.

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

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

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

“Special Limited Partner” means 1950 Webberville Road (TX) SLP LLC, a Texas limited liability company, together with its permitted successors and assigns.

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

“Sponsor” means the Housing Authority of the City of Austin.

“State” means the State of Texas.

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

“Tax Certificate” means the Tax Regulatory Agreement and No Arbitrage Certificate dated as of the Closing Date, among the Issuer, the Borrower and the Trustee, as amended or supplemented from time to time.

“Trust Estate” means the property rights, money, securities and other amounts pledged and assigned to the Trustee under the Indenture pursuant to the Granting Clauses of the Indenture, as described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – General” herein.

“Trustee” means Wilmington Trust, 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.

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

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

Creation of Funds

The following funds and accounts will be established to be held in trust and maintained by the Trustee under the Indenture:

- (a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account;
- (b) the Project Fund;
- (c) the Costs of Issuance Fund;
- (d) the Collateral Fund;
- (e) the Expense Fund; and
- (f) the Rebate Fund.

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

The Trustee shall, at the written direction of an Authorized Borrower Representative, and may, in its 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 Funds 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 Bond Fund, from the proceeds of the sale of the Bonds, any accrued interest paid with respect to the Bonds, and in Negative Arbitrage Account of the Bond Fund the initial deposit amount provided in the Indenture. The portion of any Extension Payment received by the Trustee in connection with a remarketing in accordance with the Indenture designated for the payment of Bond Debt Service shall also be deposited into the Negative Arbitrage Account.

There shall be deposited in the Bond Fund (i) any amounts received as Loan Payments, including any prepayments of Loan Payments, (ii) money transferred from the Collateral Fund pursuant to the Indenture, (iii) money transferred from the Project Fund pursuant to the Indenture and (iv) any other Eligible Funds required under the

Indenture or in the Loan Agreement to be transferred thereto or for which no other designation as to a fund or account has been made.

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Loan Payments due, all Loan Payments under the Loan Agreement are to be paid on or before each Bond Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the Bond Debt Service 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 and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Debt Service as they become due.

Bond Debt Service shall be payable, as they become due, in the following order: (a) from the money on deposit in the Bond Fund, other than the Negative Arbitrage Account thereof, (b) from money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of Bond Debt Service), (c) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, (d) from money on deposit in the Project Fund and transferred as necessary to the Bond Fund, and (e) from money or deposit in the Negative Arbitrage Account of the Bond Fund (to pay all Bond Debt Service).

Upon receipt by the Trustee of a Cash Flow Projection provided on behalf of the Borrower, the Trustee is 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 from such account.

Project Fund

Money in the Project Fund shall be disbursed in accordance with the provisions of the Loan Agreement and the Indenture. Upon the deposit of Collateral Payments in the Collateral Fund as provided in the Indenture, the Trustee shall disburse the Bond proceeds on deposit in the Project Fund for use by the Borrower to pay Costs of the Project in accordance with the terms of the Loan Agreement. Funds on deposit in the Project Fund shall be used exclusively to pay Qualified Project Costs.

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

Notwithstanding any provision of the Loan Agreement or any other provision of the Indenture to the contrary, and except for payments from the Equity Account, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Debt Service on the Bonds, unless and until Collateral Payments or other Eligible Funds (excluding, however, proceeds of the Bonds) in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to the extent necessary to pay Bond Debt Service), the Trustee shall determine that the aggregate principal amount that will be held in (a) the Collateral Fund, (b) the Project Fund and (c) the Negative Arbitrage Account of the Bond Fund, after the anticipated disbursement, is at least equal to the then Outstanding principal amount of the Bonds provided that upon receipt of a Collateral Payment, Trustee shall, prior to the close of business on the date of receipt of such Collateral Payment, either (a) disburse Bond proceeds from the Project Fund in accordance with the applicable Disbursement Request or (b) return the Collateral Payment via wire transfer to the party depositing the Collateral Payment.

On the Maturity Date, the Trustee shall transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Debt Service on the Bonds.

To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or the Collateral Fund, upon the receipt of a written opinion of Bond Counsel to the effect that such transfer will not adversely affect the Federal Tax Status of the Bonds, the Trustee shall transfer from the Project Fund to the Bond Fund sufficient money to make the necessary interest and principal payments on each Interest Payment Date without further written direction. Except as described in the preceding sentence and except with respect to amounts on deposit in the Equity Account, Funds on deposit in the Project Fund shall be used exclusively to pay Qualified Project Costs. Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount of the Bonds has been declared to be due and immediately payable pursuant to the terms of the Indenture, any money remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

Collateral Fund

Subject to the provisions of the Indenture, the Trustee shall deposit into the Collateral Fund all Collateral Payments received pursuant to the terms of the Loan Agreement and any other Eligible Funds (excluding, however, proceeds of the Bonds) received by the Trustee for deposit into the Collateral Fund. The Loan Agreement requires the Borrower to cause Collateral Payments to be made to the Trustee for deposit into 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 Costs of the Project.

The Trustee shall transfer money in the Collateral Fund as follows: (a) on each Bond Payment Date, to the Bond Fund the amount necessary to pay Bond Debt Service on the Bonds on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund); (b) on the Maturity Date of the Bonds, to the Bond Fund the amount necessary to pay all amounts due on the Bonds on such date.

On the Maturity Date, the Trustee shall transfer all amounts then on deposit in the Collateral Fund into the Bond Fund to pay Bond Debt Service on the Bonds.

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

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

On the Closing Date, there shall be deposited into the Expense Fund the amount set forth in the Indenture to provide money to pay the amounts listed below. The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, on the dates specified below, 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) pursuant to the Indenture;
- (b) to pay the Ordinary Trustee's Fees and Expenses when due;
- (c) to pay the Dissemination Agent Fee when due; and
- (d) to pay the Issuer Fees and Expenses not previously paid.

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

Investment of Special Funds and Rebate Fund

Except as otherwise described under this heading, money 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. The Trustee shall have no discretion for investing funds or advising any parties on investing funds. The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments. The parties acknowledge that the Trustee is not providing investment supervision, recommendations, or advice. At no time shall the Borrower direct that any funds constituting gross proceeds of the Bonds (including, without limitation, moneys deposited in or credited to the Collateral Fund and the Negative Arbitrage Account) be used in any manner as would constitute failure of compliance with Section 148 of the Code.

Investments of money in the Bond Fund and the Collateral Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide money to pay Bond Debt Service on the Bonds as they become due on each Bond Payment Date or at stated maturity. Each investment of money in the Project Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts as may be necessary to make anticipated payments from the Project Fund. Any of those investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association which is an Affiliate of the Trustee and such entity may charge its reasonable and customary fees in connection therewith. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable hereunder to and at the times required for the purposes of paying Bond Debt Service 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 at a price below par, 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. Anything in the Indenture to the contrary, notwithstanding, at no time shall the Borrower direct that amounts on deposit in the Collateral Fund be invested at a yield in excess of the yield of the Bonds. Prior to investing or reinvesting funds hereunder at the direction of the Borrower, the Trustee shall receive from the Borrower and shall be entitled to rely upon a Cash Flow Projection. In the absence of written direction of the Borrower, any moneys held under the Indenture shall be invested in (i) JPM 100% US Treasury Securities Money Market Fund, CUSIP 4812A2843, a money market fund as described in clause (b) of the definition of Eligible Investments, or if such fund is unavailable, (ii) investments described in paragraph (b) of the definition of Eligible Investments.

An investment made from money credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be allocated to the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Special Funds shall be credited to and become part of the Bond Fund. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. Any investment losses from moneys credit to a Fund shall be charged against the respective Fund. The Trustee shall not be liable for losses (including specifically depreciation) on investments made in compliance with the provisions of the Indenture. The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments. Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything herein to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Debt Service shall be held uninvested and (ii) Bond proceeds and the initial deposit to the Negative Arbitrage Account pursuant to the terms of the Indenture shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

Notwithstanding anything to the contrary in the Indenture, for purposes of effectuating the allocation of Eligible Investments to the Project Fund, the Collateral Fund and the Negative Arbitrage Account of the Bond Fund, the Trustee may, by means of appropriate entries on its books and records, create and transfer participation interests in Eligible Investments. Such participations or other undivided ownership interests in Eligible Investments may, but only in accordance with the requirements of the Indenture, be sold to third parties by means of certificates evidencing such undivided ownership interests and the proceeds of such sales shall be deposited in the fund or account from which the participation interest was sold.

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, the Tax Certificate 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 and the Borrower specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of at least 50% 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, the Tax Certificate, or the Bonds, or (ii) a default or failure by the Borrower to perform its obligations set forth in the Loan Agreement, subject to all periods of grace and notice required to constitute a default or failure or an Event of Default, as provided above or in the Loan Agreement.

Acceleration

Upon the occurrence and during the continuance of an Event of Default described in (a) or (b) above, the Trustee may declare, and upon the written request of Controlling Holders the Trustee shall declare, by a notice in writing delivered to the Borrower and the Issuer, declare the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately; provided, however, if Eligible Funds sufficient to pay the principal and interest of the Bonds then due and payable are on deposit with the Trustee, acceleration under this paragraph shall not occur and the Trustee shall promptly make payment to the Holders of all amounts then due and payable from such Eligible Funds. Upon the occurrence of any Event of Default other than those described in (a) or (b) above, the Trustee may, and upon the written consent of all Holders of Bonds then Outstanding, shall declare by a notice in writing delivered to the Borrower, the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Following such 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, including the Issuer’s Fees and Expenses and the Trustee’s Fees and Expenses (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 Limited Partner shall be entitled (but not obligated) to cure any Event of Default hereunder within the time frame provided to the Borrower under the Indenture. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Other Remedies; Rights of Holders

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

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Controlling Holders, the Trustee 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. Each remedy shall be cumulative and shall be in addition to every other remedy given hereunder 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 thereunder or under the Indenture, 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.

Rights of Holders to Direct Proceedings

Anything to the contrary in the Indenture notwithstanding, the Controlling Holders 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 thereunder; 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

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

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money (including reasonable legal fees and expenses) and to all fees of the Trustee for Ordinary and Extraordinary Expenses pursuant to any right given or action taken under the provisions of the Indenture or the provisions of the Loan Agreement, the Regulatory Agreement or the Note (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 section), all money received by the Trustee, shall be applied as follows:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, 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 section, 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 under the Indenture, or for the exercise of any other remedy hereunder, unless:

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

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

No one or more Holders of the Bonds 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 herein, any remedy, right or power thereunder. 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 Debt Service 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 hereunder, 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 hereinafter provided, at any time, in its discretion, the Trustee may waive any Event of Default hereunder and its consequences and may rescind and annul any declaration of maturity of principal of or interest on, the Bonds. The Trustee shall do so upon the written request of the Controlling Holders.

There shall not be so waived, however, any Event of Default described in paragraph (a) or (b) under the heading “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 hereunder, 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 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 modify, amend or supplement the Indenture as required by the Rating Agency to obtain, maintain or restore a rating or ratings on the Bonds;
- (l) To make amendments to the provisions of the Indenture 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
- (m) To permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the interests of the Trustee, the Borrower or the Holders of the Bonds.

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 above and subject to the terms, provisions and limitations contained in this section, and not otherwise, with the consent of the Controlling Holders, 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 section 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 or the Trustee shall be requested to execute and deliver any Supplemental Indenture for any of the purposes described herein, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required, 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 section. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as provided in this section. 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 corporate trust office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Controlling Holders (which instrument or document or instruments or documents 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 herein 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 maintain records showing and shall 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 and Investor Limited Partner

Anything contained in the Indenture to the contrary notwithstanding, any 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; provided, however, that no consent shall be required if the Borrower is the source of an Event of Default that then exists under the Loan Agreement. 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.

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 Debt Service 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 Regulatory Agreement and the Note, then the Indenture shall cease, determine and become null and void (except for those provisions surviving by 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 hereunder 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), and shall execute and deliver to the Issuer any instruments or documents in writing as shall be requisite to evidence that release and discharge or as reasonably may be requested by the Issuer, and

(b) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of the Indenture which then may be in their 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 Debt Service, 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, if:

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

(b) the Trustee shall have received, in trust for and irrevocably committed thereto, noncallable Government Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any Eligible Funds to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided in the Indenture), for the payment of all Bond Debt Service on those Bonds at their maturity or their redemption date, as the case may be.

Any money held by the Trustee in accordance with the provisions of this section 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 section is certified from time to time by an Independent public accounting firm as provided in clause (b) above to be in excess of the amount required to be held by the Trustee for the purposes of this section, that income, interest or increment shall be transferred by the Trustee at the time of that certification 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 section.

Survival of Certain Provisions

The provisions of the Indenture shall survive the release, discharge and satisfaction of the Indenture and the resignation or removal of the Trustee.

Amendments to Loan Agreement, Note and Regulatory Agreement Not Requiring Consent of Holders

Without the consent or notice to the Holders, the Issuer, the Borrower, the Investor Limited Partner and the Trustee may enter into or consent to, as applicable, any amendment, change or modification of the Loan Agreement, the Note or the Regulatory Agreement contemplated, as may be required (a) by the provisions of the Note, the Loan Agreement, the Regulatory Agreement or the Indenture, (b) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Loan Agreement, the Note or the Regulatory Agreement, (c) in connection with an amendment or to effect any purpose for which there could be an amendment of the Indenture as described under “Supplemental Indentures Not Requiring Consent of Holders,” or (d) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders of the Bonds, in the judgement of the Trustee.

Amendments to Loan Agreement, Note and Regulatory Agreement Requiring Consent of Holders

Except for the amendments, changes or modifications as described above under “Amendments to Loan Agreement, Note and Regulatory Agreement Not Requiring Consent of Holders,” 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 Loan Payments and Collateral Payments 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, the Note or the Regulatory Agreement 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 Controlling Holders.

The consent of the Holders shall be obtained as described under “Supplemental Indentures Requiring Consent of Holders 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, the Note or the Regulatory Agreement contemplated in subparagraphs (a) or (b) above is requested, 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 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.

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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 Loan

The Issuer agrees, upon the terms and conditions of the Loan Agreement, to finance the 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 finance the Loan shall be deemed fully discharged upon the deposit of the proceeds of the Bonds with the Trustee. The Loan shall be evidenced by the Note payable to the Issuer and endorsed to the order of the Trustee.

Disbursements from the Project Fund

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

Any disbursements from the Project Fund for the payment of Costs of the Project shall be made by the Trustee only upon the receipt by the Trustee of: (a) a disbursement request executed by the Authorized Borrower Representative and approved by the Issuer in the form attached as an exhibit to the Loan Agreement; and (b) except with respect to payments from the Equity Account, Collateral Payments in an amount equal to the amount of any such disbursement request for deposit in the Collateral Fund as provided in the Loan Agreement. The Borrower acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month. Each such disbursement request shall be consecutively numbered. Proceeds of the Bonds disbursed pursuant to the provisions of the Loan Agreement may only be used to pay those Costs of the Project identified in the Sources and Uses attached to the Loan Agreement, as may be amended pursuant to the agreement of the Trustee, the Issuer and the Borrower.

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the Costs of the Project, at the direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund for payment of Bond Debt Service provided the Borrower obtains an opinion of Bond Counsel that such deposit will not adversely affect the Federal Tax Status of the Bonds. Any amounts remaining after the payment of all Bond Debt Service, if any, shall be remitted to the Borrower.

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

Borrower Required to Pay Costs in Event Project Fund Insufficient

If money in the Project Fund are not sufficient to pay all Costs of the Project, the Borrower, nonetheless, will complete the Project in accordance with the Plans and Specifications and shall pay all such additional Costs of the Project from its own funds. The Borrower shall pay all Costs of Issuance the Bonds in excess of the amounts deposited in the Costs of Issuance Fund. The Borrower shall not be entitled to any reimbursement for any such additional Costs of the Project 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 the any Loan Payments or other amounts to be paid under the Loan Agreement.

Completion Date

The Borrower shall notify the Issuer, each Investor Limited Partner 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. The Completion Certificate shall be delivered as promptly as practicable after the occurrence of the events and conditions referred to in paragraphs (a) and (b) of the Completion Certificate.

Loan Repayment; Delivery of Note

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

The Borrower shall be entitled to a credit against the Loan Payments required to be made with respect to the Bonds on any date equal to the available money in the Bond Fund or money transferred thereto from the Collateral Fund or the Project Fund for the payment of Bond Debt Service 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 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 subsisting hereunder, payments by the Borrower on the Note shall be used by the Trustee to make a like payment of Bond Debt Service and shall constitute Loan Payments.

Upon payment in full, in accordance with the Indenture, of the Bond Debt Service 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.

Collateral Payments

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, such disbursement, Collateral Payments equal to the amount of the proposed disbursement will be made to the Trustee. All such Collateral Payments shall be paid to the Trustee for the account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture.

Notwithstanding any provisions to the contrary in the Loan Agreement or in the other Financing Documents, upon receipt of a Collateral Payment that conforms to the requirements of the Loan Agreement, the Trustee shall be obligated to either (i) promptly disburse funds in the same amount from the Project Fund in accordance with the applicable disbursement request or (ii) return the Collateral Payment to the applicable Collateral Payment provider within one Business Day after receipt of the Collateral Payment, but the Trustee shall only be obligated to make such a disbursement to the extent of the amount of proceeds of the Bonds remaining in the Project Fund, and if the Trustee received a Collateral Payment in excess of the available amount, the Trustee shall promptly return the excess to the applicable Collateral Payment provider.

Additional Payments

In addition to the Loan Payments, the Borrower shall pay as Additional Payments under the Loan Agreement the following:

- (a) Reserved.
- (b) Reserved.
- (c) To the Trustee, (i) the Ordinary Trustee Fees and Expenses to the extent that the funds available in the Expense Fund for the payment thereof are not sufficient and available therefor and (ii) the Extraordinary Trustee Fees and Expenses.
- (d) To the Issuer (i) the Ordinary Issuer's Fees to the extent that the funds available under the Indenture for the payment thereof are not sufficient and available therefor and (ii) the Extraordinary Issuer Fees and Expenses.
- (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 because the funds available in the Expense Fund under the Indenture for the payment thereof are not sufficient and available therefor, 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 of the Indenture and the Tax Certificate. 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 the fees and expenses of the Rebate Analyst to the extent available money 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 perform the duties imposed by the Indenture and the Tax Certificate.
- (g) To the Dissemination Agent, the Dissemination Agent Fee, as well as any other costs and reasonable expenses in order to provide for compliance with the terms of the Continuing Disclosure Agreement, to the extent the funds available in the Expense Fund are not sufficient and available therefor.
- (h) Reserved.
- (i) To the Rating Agency, the fees, if any, of the Rating Agency to maintain the rating of the Bonds.
- (j) The costs and expenses associated with an audit of the Bonds by the Internal Revenue Service.

In the event the Borrower is in default under any provision of any of the Borrower Documents and such default is continuing uncured after the expiration of all applicable notice and cure periods, the Borrower shall be liable to, and upon demand shall pay to, the Issuer and the Trustee 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 to be deposited a portion of the Initial Deposit into the Costs of Issuance Fund and the Expense Fund as 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 and 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 upon written demand being made 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 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.

Except as otherwise provided in the Loan Agreement, the obligations of the Borrower described above 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 unless and until the Borrower has transferred the Project to an unaffiliated entity with the prior written consent of the Issuer, which transferee assumes the obligations of the Borrower described above.

Prepayment

Provided no Event of Default shall have occurred and be continuing, at any time and from time to time, the Borrower may deliver money to the Trustee in addition to Loan Payments or Additional Payments required to be made as a prepayment, in whole or in part, of the Loan and direct the Trustee to use the money so delivered for the purpose of redeeming 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 Loan Payments or Additional Payments otherwise becoming due or to alter or suspend any other obligations of the Borrower under the Loan Agreement.

Provided no Event of Default shall have occurred and be continuing, at any time the Bonds are subject to optional redemption in accordance with applicable provisions of the Indenture, the Borrower may in writing direct the Trustee to call Bonds for optional redemption in whole or in part in accordance with the applicable provisions of the Indenture providing for optional redemption at the price stated in the Indenture, from amounts held in the Collateral Fund, the Project Fund and the Bond Fund provided such amounts are sufficient to pay the redemption price of the Bonds in full.

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 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 Loan Payment on or prior to the date on which that Loan Payment is due and payable to the extent amounts on deposit in the Bond Fund, including amounts transferred from the Collateral Fund and the Project Fund are insufficient to pay the Bond Debt Service due on such date;

(b) The Borrower shall fail to observe and perform any other agreement, term or condition contained in the Loan Agreement and the continuation of such failure for a period of 30 days after written notice thereof shall have been given to the Borrower 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;

(e) There shall occur an "Event of Default" as defined in the Indenture; and

(f) There shall occur a default by the Borrower under the Regulatory Agreement that is continuing after all applicable notice and cure periods have expired.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition of the Indenture 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 continuing, 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 Loan Payments to be due and payable together with 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;
- (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 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 Borrower 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 Loan Payments or applicable to Loan Payment and any other amounts which would be applicable to payment of Bond Debt Service 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 described above 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) above 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 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 the Loan Agreement, 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 hereof 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.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

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

All capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture and the Regulatory Agreement.

Acquisition and Rehabilitation of the Project

The Borrower represents, as of the date hereof, and covenants and agrees as follows:

(a) Within 30 days of the date on which the rehabilitation of the Project is completed, the Borrower will submit to the Issuer and the Trustee a duly executed certificate of completion with respect to the Project.

(b) The Borrower (and any Related Person) will take, or not fail to take, as is applicable, all actions necessary to cause (i) the Proceeds of the 2024 Bonds to be applied in a manner consistent with the requirements of the 2024 Indenture, the Financing Agreement, the Tax Agreement and the Regulatory Agreement; and (ii) the Proceeds of the 2025 Bonds to be applied in a manner consistent with the requirements of the 2025 Indenture, the Loan Agreement, the Tax Agreement and the Regulatory Agreement. The Borrower acknowledges that such requirements have been designed for the purpose of ensuring compliance with the provisions of the Act or the Code applicable to the Borrower and the Project.

Residential Rental Property

The Borrower shall not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes under existing law (subject to the exceptions contained in the opinion delivered upon the original issuance of the Bonds or other customary exceptions acceptable to the recipient thereof). With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that prior to the final maturity of the Bonds it will comply with paragraphs (a) through (c) below, unless it has received and filed a Favorable Opinion of Bond Counsel with the Issuer and the Trustee:

(a) The Project will be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code) at all times during the Qualified Project Period. In particular, the Borrower represents, as of the date hereof, and covenants and agrees as follows:

(i) that the Project will be comprised of Units and facilities functionally related and subordinate thereto, in accordance with Section 142(d) of the Code;

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

(iii) that substantially all of the Project will consist of similarly constructed Units together with functionally related and subordinate facilities for use by tenants of the Project, such

as swimming pools; other recreational facilities; parking areas; heating and cooling equipment; trash disposal equipment; Units for resident managers, security personnel or maintenance personnel that are reasonably required for the Project and other facilities that are reasonably required for the Project;

(iv) that each Unit will contain complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which are separate and distinct from other Units; provided that, a Unit will not fail to meet these requirements merely because it is a single room occupancy unit (within the meaning of Section 42 of the Code);

(v) that each Unit will be rented or available for rental on a continuous basis to members of the general public at all times during the Qualified Project Period (unless occupied by or reserved for any resident manager, security personnel or maintenance personnel that is reasonably required for the Project or as otherwise permitted by HUD and applicable federal, state or local law) and that the Borrower will not give preference in renting Units to any particular class or group of persons, other than to Qualifying Tenants and Eligible Tenants as provided in the Regulatory Agreement or to classes of persons permitted to be given preference pursuant to the Code, and that at no time will any portion of the Project be exclusively reserved for use by a limited number of nonexempt persons in their trades or businesses;

(vi) that at no time during the Qualified Project Period will any Unit in any building or structure in the Project that contains fewer than five Units be occupied by the Borrower;

(vii) that at no time during the Qualified Project Period will any of the Units be utilized on a transient basis by being leased or rented for a period of less than six months (unless the Unit serves as a single room occupancy unit or transitional housing for the homeless (as described in Section 42(i)(3)(B) of the Code), in which case such lease may be on a month-to-month basis) or by being used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park or trailer court; and

(viii) that the land and the facilities are functionally related and subordinate to the Units comprising the Project and are of size and character that is commensurate with the size and number of such Units.

(b) The Borrower and the Issuer recognize that the requirements stated in paragraph (a) above shall continue in effect until the termination of the Qualified Project Period. Notwithstanding the foregoing, the requirements of this section shall terminate in the event of an involuntary noncompliance caused by fire (or any other casualty or event of Force Majeure), seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law or an action of a federal agency that prevents the Issuer from enforcing the requirement, or condemnation or similar event, but only if: (i) within a reasonable period, either the Bonds are paid in full or the amounts received as a consequence of such event are used to provide a "qualified residential rental project" that meets the requirements of Section 142(d) of the Code, as the same may be amended from time to time; and (ii) in the case of foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any Related Person obtains an ownership interest in the Project for federal income tax purposes at any time during that part of the Qualified Project Period subsequent to such event.

(c) Anything in the Regulatory Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties thereto that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Borrower in order to establish the existence of any fact or statement of affairs not otherwise within the knowledge of the Trustee or the Issuer, and which is required to be noticed, represented or certified by the Borrower thereunder or in connection with any filings, representations or certifications required to be made by the Borrower in connection with the issuance and delivery of the Bonds.

(d) The Issuer and the Borrower recognize and declare their understanding and intent that the Project is to be owned, managed and operated as a “residential development” (as such term is defined in Sections 394.003(13) or 394.004 of the Texas Local Government Code), for as long as any portion of the Bonds remains outstanding and unpaid. To that end, the Issuer represents, as of the date of the Regulatory Agreement, and covenants and agrees as follows:

(i) that Eligible Tenants shall include any person whose Adjusted Gross Income, together with the Adjusted Gross Income of all other persons who intend to reside with such person in one Unit, did not, for the taxable year immediately preceding the year of initial occupancy of the Project by such Eligible Tenants, exceed 120% of the Median Gross Income for the Area as determined and adjusted from time to time by the Secretary of HUD;

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

(ii) to utilize its best efforts and all due diligence to assure that (A) substantially all (at least 90%) of the Units are rented to Eligible Tenants and will not rent or lease any Unit to a person not an Eligible Tenant if such rental would cause less than 90% of the Units to be rented to Eligible Tenants, (B) at least 80% of the Units are reserved for families and individuals earning not more than 120% of the Median Gross Income for the Area, and (C) at least 50% of the Units are reserved for families and individuals earning not more than 80% of the Median Gross Income for the Area;

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

(iv) to permit, upon 2 business days’ prior notice, any duly authorized representative of the Issuer or the Trustee to inspect during the Borrower’s normal business hours the books and records of the Borrower pertaining to the incomes of Project residents; and

(v) to prepare and submit to the Issuer and the Trustee, no later than December 1 of each year during the term of the Regulatory Agreement, commencing the first December 1 following occupancy of any Unit, a certificate executed by the Borrower stating that at least 90% of the Units were either occupied by or vacant and held available for persons who were Eligible Tenants at the time of initial occupancy at all times during the year preceding the date of such certificate.

Priority 2 Restrictions

The Borrower represents, covenants and agrees that in consideration for and as required by the reservation granted under Chapter 1372 of the Texas Government Code, as amended, that 80% percent of the Units in the Project shall be:

(i) under the restriction that the maximum allowable rents are an amount equal to 30% of 60% of Median Gross Income for the Area (minus an allowance for utility costs authorized under the federal low-income housing tax credit program); and

(ii) reserved for families and individuals earning not more than 60% of the Median Gross Income for the Area.

Incorporation of Fannie Mae Rider

Notwithstanding anything to the contrary in the Regulatory Agreement, the Fannie Mae Rider to Restrictive Covenants attached thereto as an exhibit is thereby incorporated therein for all purposes.

Qualifying Tenants; Records and Reports

Pursuant to the requirements of the Code and of the Issuer, the Borrower represents, as of the date of the Regulatory Agreement, and covenants and agrees as follows:

(a) At all times during the Qualified Project Period, no less than 40% of the Available Units of the Project shall at all times be rented to and occupied by Qualifying Tenants. For the purposes of this paragraph (a), a vacant Unit that was most recently occupied by a Qualifying Tenant is treated as rented and occupied by a Qualifying Tenant until reoccupied, at which time the character of such Unit shall be redetermined.

(b) No tenant qualifying as a Qualifying Tenant shall be denied continued occupancy of a Unit because, after commencement of occupancy, such tenant's Annual Income increases to exceed the qualifying limit for Qualifying Tenants; provided, however, that, should a Qualifying Tenant's Annual Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Qualifying Tenant of the same family size and such Qualifying Tenant constitutes a portion of the 40% requirement of paragraph (a) of this section, the next available Unit of comparable or smaller size shall be rented to (or held vacant and available for immediate occupancy by) a Qualifying Tenant and such new Qualifying Tenant shall then constitute a portion of the 40% requirement of paragraph (a) of this section; and provided, further, that, until such next available Unit is rented to a tenant who is a Qualifying Tenant, the former Qualifying Tenant who has ceased to qualify as such shall be deemed to continue to be a Qualifying Tenant for purposes of the 40% requirement of paragraph (a) of this section.

(c) At all times during the Qualified Project Period, the Borrower shall obtain, complete and maintain on file Income Certifications from each Qualifying Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of each new Qualifying Tenant in the Project and (ii) thereafter, annual Income Certifications which must be obtained on or before the anniversary of such Qualifying Tenant's occupancy of the Unit, and in no event less than once in every 12-month period following each Qualifying Tenant's occupancy of a Unit. For administrative convenience, the Borrower may establish the first date that an Income Certification for the Project is received as the annual recertification date for all tenants in the Project. The Borrower will obtain such additional information as may be required in the future by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations that are tax-exempt private activity bonds described in Section 142(d) of the Code. The Borrower shall make a diligent and good-faith effort to determine that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the most recent one-month period; (2) obtain income tax returns for the most recent two tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is self-employed, unemployed, does not have income tax returns or is otherwise not reasonably able to provide other forms of verification as required above, obtain another form of independent verification as would, in the Borrower's reasonable commercial judgment, enable the Borrower to determine the accuracy of the applicant's income information. The Borrower shall retain all Income Certifications obtained in compliance with this paragraph (c) until the date that is three years after the end of the Qualified Project Period.

(d) The Borrower shall maintain complete and accurate records pertaining to the Units occupied by Eligible Tenants or Qualifying Tenants and will permit, after 2 business days' prior notice during normal business hours subject to tenant leases of Units, any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to enter upon the Project Site to examine and inspect the Project and to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Units occupied by Eligible Tenants or Qualifying Tenants.

(e) Beginning with the first calendar quarter following the date the first Unit is occupied by an Eligible Tenant, the Borrower shall prepare and submit to the Issuer, with a copy to the Trustee, on the first day of the Qualified Project Period and thereafter by the 20th calendar day of each March, June, September and December, until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance covering the immediately preceding three calendar months in substantially the form attached to the Regulatory Agreement as an exhibit executed by the Borrower. The Borrower shall retain copies of all Certificates of Continuing Program Compliance submitted in compliance with this paragraph (e) until the date that is three years after the end of the Qualified Project Period.

(f) On or before each March 31 during the Qualified Project Period, the Borrower shall submit a completed Internal Revenue Service Form 8703 to the Secretary of the Treasury, with a copy to the Issuer and the Trustee. The Borrower shall retain copies of all documents prepared pursuant to this paragraph (f) until the date that is three years after the end of the Qualified Project Period.

(g) Each lease or rental agreement with a Qualifying Tenant or an Eligible Tenant shall contain a provision to the effect that the Borrower has relied on the Income Certification and supporting information supplied by the Qualifying Tenant or Eligible Tenant in determining qualification for occupancy of the Unit and that any material misstatement in such certification (whether or not intentional) may be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide (and shall so disclose to the tenant) that the tenant's income is subject to annual certification in accordance with paragraph (c) above.

(h) The Borrower further covenants and agrees to prepare and submit to the Trustee and the Issuer, within 60 days prior to the last day of the Qualified Project Period, a certificate setting forth the date on which the Qualified Project Period will end, which certificate shall be in recordable form.

Sale or Transfer of the Project

Except as otherwise permitted by the Mortgage or the Ground Lease (subject in any case to receipt by the Trustee and the Issuer of a Favorable Opinion of Bond Counsel), the Borrower covenants and agrees not to, directly or indirectly, by operation of law or otherwise, voluntarily assign, sell, convey, transfer, lease, mortgage or otherwise dispose of its interest in the Project, or any portion thereof (other than for individual tenant use as contemplated hereunder), except in connection with ordinary easements, licenses or rights of way, without obtaining the prior written consent of the Issuer, which shall not be unreasonably withheld if: (a) the purchaser or transferee shall covenant to operate the Project in such a manner as to comply with the provisions of the Regulatory Agreement; (b) the Issuer and the Trustee shall have received (i) evidence reasonably satisfactory to the Issuer that the Borrower's purchaser or transferee has assumed in writing and in full and is capable of performing the Borrower's duties and obligations under the Regulatory Agreement, the Financing Agreements, the Indentures, the Tax Certificate and the applicable provisions of the other Borrower Documents, (ii) a certificate of the Borrower to the effect that no event of default has occurred and is continuing under the Regulatory Agreement, the Financing Agreements, the Indentures, the Tax Certificate or the other Borrower Documents, (iii) payment to the Issuer by the Borrower of an assumption fee equal to \$1,000 or such other fee as may be generally in effect at such time, (iv) evidence reasonably satisfactory to the Issuer that the transferee has agreed to any restrictions imposed by Bond Counsel in order to maintain the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes, (v) a written opinion of counsel to the transferee addressed to the Issuer and the Trustee that the transferee has duly assumed such obligations of the Borrower under the Regulatory Agreement, the Financing Agreements, the Indentures, the Tax Certificate and the applicable provisions of the other Borrower Documents, and that such obligations and the Regulatory Agreement are binding on the transferee, (vi) a Favorable Opinion of Bond Counsel, and (vii) a Certificate of Continuing Program Compliance current as of a date no more than 45 days prior to delivery thereof; and (c) as among the Issuer, the Trustee and the Borrower, the Borrower shall pay all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in this section. It is expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this section shall be null, void and without effect, shall cause a reversion of title to the Borrower and shall be ineffective to relieve the Borrower of its obligations under the Regulatory Agreement. Nothing contained in this section shall affect any provision of any other document or instrument between the Borrower and any other party that requires the Borrower to obtain the consent of such other party as a precondition to sale, transfer or other disposition of the Project. Upon any sale or other transfer that complies with the Regulatory

Agreement, the Borrower shall be fully released from its obligations thereunder to the extent such obligations have been assumed by the transferee of the Project. Any transfer of the Project to any Person, whether or not affiliated with the Borrower, shall be subject to the provisions of this section. The foregoing provisions shall not apply to (i) transfer by foreclosure or deed in lieu of foreclosure or other similar involuntary transfers or conversions of the Loans, but such provisions shall apply to any transfer subsequent to such involuntary transfers or conversions, or (ii) transfers of any ownership interest in the Borrower, or (iii) transfers of interests within the limited partners of the Borrower, as each such transfer shall not constitute a sale, transfer or disposition of the Project, or (iv) the removal and replacement of the general partner of the Borrower (a) in accordance with the terms of Borrower's Amended and Restated Agreement of Limited Partnership ("Partnership Agreement"), or (b) in accordance with the Construction Loan Documents with Construction Lender or an affiliate of Construction Lender.

Term

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

The terms of the Regulatory Agreement to the contrary notwithstanding, the requirements set forth therein shall terminate, without the requirement of any consent by the Issuer or the Trustee, and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire (or any other casualty or event of Force Majeure), seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date that prevents the Issuer or the Trustee from enforcing the provisions thereof, or condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds are retired in full or amounts received as a consequence of such event are used to provide a "qualified residential rental project" that meets the requirements of the Code and State law, including, but not limited to, the provisions set forth in the Regulatory Agreement. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any Related Person obtains an ownership interest in the Project for federal income tax purposes. The Issuer shall not be required to consent to termination of the Regulatory Agreement for any reason other than those specified above.

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

Covenants To Run With the Land

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

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

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$5,100,000*

**Austin Affordable PFC, Inc.
Multifamily Housing Revenue Bonds
(Heritage Pointe Seniors Apartments)
Series 2025**

This Continuing Disclosure Agreement, dated as of November 1, 2025 (this “Continuing Disclosure Agreement”), is executed and delivered by 1950 Webberville Road (TX) Owner LP, a Texas limited partnership (the “Borrower”), and Wilmington Trust, National Association, a national banking association, in its capacity as dissemination agent (the “Dissemination Agent”). The above-captioned bonds (the “Bonds”) are being issued pursuant to a Trust Indenture, dated as of November 1, 2025 (the “Indenture”), between Austin Affordable PFC, Inc. (the “Issuer”) and Wilmington Trust, National Association, a national banking association (the “Trustee”). Pursuant to the Indenture and Loan Agreement, dated as of November 1, 2025, between the Issuer and the Borrower (the “Loan Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

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

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

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

“*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 Wilmington Trust, National Association, a national banking 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.

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

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

* Preliminary; subject to change.

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

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

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

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower's fiscal year, commencing with the fiscal year ending on December 31, 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 the form attached as Exhibit B to this Continuing Disclosure Agreement.

(d) The Dissemination Agent will provide confirmation to the Borrower and (if the Dissemination Agent is not the Trustee) the Trustee stating that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, and 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 and operating data with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower's Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available.

Any or all of the items above 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; and
- (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.

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 (a)(i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above upon the Trustee obtaining actual knowledge of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (a)(i) - (xvi) above without the Dissemination Agent having received written notice of such event and such notice shall reference this Continuing Disclosure Agreement. 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. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Borrower, and not that of the Trustee or the Dissemination Agent, and the Dissemination Agent has agreed to give the foregoing notice to the Disclosure Representative as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to any person or entity, including the Participating Underwriter, the Issuer, Borrower, or any Holder or Beneficial Owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(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 written notice and written instructions pursuant to subsections (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 written 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 in writing 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 such reasonable 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 specific performance by court order.

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

Section 9. 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) This Continuing Disclosure Agreement governs the Borrower's direction to the Dissemination Agent with respect to information to be provided to the MSRB pursuant to the Rule. In its actions under this Continuing Disclosure Agreement, the Dissemination Agent is acting not as Trustee but as the Borrower's agent; provided that Article V of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent shall be entitled to the same protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement and no implied covenants shall be read herein against the Dissemination Agent. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the 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 liability to the Holders or any other party for any tort or monetary damages or financial liability of any kind whatsoever related to or arising from the breach of this Continuing Disclosure Agreement. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent

shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Borrower. The Dissemination Agent is acting hereunder solely in an agency capacity and as such is merely a conduit for the Borrower, and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished hereunder. Any such information may contain a legend to that effect.

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 obligation to make disclosure concerning the Bonds, the Project or any other matter except as expressly set out herein, provided that no provision of this Continuing Disclosure Agreement shall limit the duties, trusts, rights, powers or obligations of the Trustee under the Indenture. The fact that the Dissemination Agent or affiliate thereof has or may have any banking, fiduciary or other relationship with the Borrower or any other party in connection with the Project or otherwise, apart from the relationship created by this Continuing Disclosure Agreement, shall not be construed to mean that the Dissemination Agent or affiliate thereof has knowledge or notice of any event or condition relating to the Bonds or the Project except in its respective capacities under this Continuing Disclosure Agreement.

No provision of this Continuing Disclosure Agreement shall require or be construed to require the Borrower or the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder.

The Borrower hereby agrees to compensate the Dissemination Agent for the services provided and the expenses incurred pursuant to this Continuing Disclosure Agreement, in an amount to be agreed upon from time to time hereunder, and to reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred by the Dissemination Agent hereunder (including any reasonable compensation and expenses of counsel) except any such expense, disbursement or advance that may be attributable to its gross negligence or willful misconduct.

The Dissemination Agent may consult with counsel of its choice and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to the Borrower.

No provision of this Continuing Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights of powers.

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.

(d) The Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against, any claim of liability, but excluding liabilities finally adjudicated by a court of competent jurisdiction to have directly resulted from the Dissemination Agent's gross negligence or willful misconduct. THIS SECTION SHALL REMAIN IN FULL FORCE AND EFFECT IF LIABILITIES DIRECTLY OR INDIRECTLY RESULT FROM, ARISING OUT OF, OR RELATE TO, OR ARE ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF, OR RELATED TO, THE SOLE OR CONTRIBUTORY NEGLIGENCE OF THE DISSEMINATION AGENT. Notwithstanding anything to the contrary contained herein, the obligations of the Borrower under this Section 11(d) shall survive resignation or removal of the Dissemination Agent, the termination of this Continuing Disclosure Agreement and payment of the Bonds.

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. Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices of communications should be sent, effective only upon receipt.

If to the Borrower:

1950 Webberville Road (TX) Owner LP
1124 South Interstate 35
Austin, TX 78702
Attention: Naveen Agrawal
Email: NAgrowal@aprilhousing.com

If to the Dissemination Agent:

Wilmington Trust, National Association
15950 North Dallas Parkway, Suite 200
Dallas, TX 75248
Attention: Corporate Trust Department
Email: rlopez9@wilmingtontrust.com

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

Section 14. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption 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. The parties agree that the electronic signature of a party to this Continuing Disclosure Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Continuing Disclosure Agreement. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format (PDF) or other replicating image attached to an electronic mail or internet message.

IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

1950 WEBBERVILLE ROAD (TX) OWNER LP,
a Texas limited partnership

By: AAHC Heritage Pointe GP, LLC,
a Texas limited liability company,
its general partner

By: Austin Affordable Housing Corporation,
a Texas nonprofit corporation,
its sole member

By: _____
Ron Kowal
Vice President

[Signatures continue on following page]

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

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A
ANNUAL REPORT

\$5,100,000*
Austin Affordable PFC, Inc.
Multifamily Housing Revenue Bonds
(Heritage Pointe Seniors Apartments)
Series 2025

CUSIP: _____

Report for Period Ending _____

THE PROJECT

Name of the Project:	Heritage Pointe Seniors Apartments
Address:	1950 Webberville Road, Austin, TX 78721
Number of Units:	240

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, _____, as derived from the Borrower's audited financial statements [or unaudited financial statements].

Financial Results for Fiscal Year Ending December 31, _____	
Revenues	
Operating Expenses ¹	
Net Operating Income	
Debt Service on the Series 2025 Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

¹ Excludes depreciation and other non-cash expenses.

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

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

* Preliminary; subject to change.

AUDITED FINANCIAL STATEMENTS

_____ Attached

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

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

EXHIBIT B

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

Name of Issuer: Austin Affordable PFC, Inc.

Name of Issue: Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2025

Name of Borrower: 1950 Webberville Road (TX) Owner LP

CUSIP: _____

Date of Issuance: November __, 2025

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: _____

WILMINGTON TRUST, 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: Austin Affordable PFC, Inc.

Name of Bond Issue: Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2025

Name of Borrower: 1950 Webberville Road (TX) Owner LP

Name of Project: Heritage Pointe Seniors Apartments

Address of Project: 1950 Webberville Road, Austin, TX 78721

Date of Issuance: November __, 2025

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of November 1, 2025, between the above-referenced borrower (the “Borrower”) and Wilmington Trust, 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:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$5,100,000*

**Austin Affordable PFC, Inc.
Multifamily Housing Revenue Bonds
(Heritage Pointe Seniors Apartments)
Series 2025**

The undersigned hereby provides notice to Wilmington Trust, National Association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Heritage Pointe Seniors Apartments (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of November 1, 2025, between Austin Affordable PFC, Inc.(the “Issuer”) and Wilmington Trust, National Association, a national banking association, as trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

1950 WEBBERVILLE ROAD (TX) OWNER LP,
a Texas limited partnership

By: AAHC Heritage Pointe GP, LLC,
a Texas limited liability company,
its general partner

By: Austin Affordable Housing Corporation,
a Texas nonprofit corporation,
its sole member

By: _____
Ron Kowal
Vice President

* Preliminary; subject to change.

APPENDIX F

FORM OF BOND COUNSEL OPINION

Upon the issuance of the Bonds, Coats Rose, P.C., Bond Counsel for the Issuer, proposes to issue an opinion in substantially the following form:

November __, 2025

Austin Affordable PFC, Inc.
Austin, Texas

Wilmington Trust, National Association
Dallas, Texas

\$5,100,000*
Austin Affordable PFC, Inc.
Multifamily Housing Revenue Bonds
(Heritage Pointe Seniors Apartments)
Series 2025

Ladies and Gentlemen:

We have acted as bond counsel to Austin Affordable PFC, Inc. (the “Issuer”) in connection with the issuance of its Austin Affordable PFC, Inc. Multifamily Housing Revenue Bonds (Heritage Pointe Seniors Apartments) Series 2025 (the “Bonds”). The Issuer is issuing the Bonds under and pursuant to the provisions of the Texas Public Facility Corporations Act, Chapter 303, Local Government Code, as amended (the “Act”), a resolution adopted by the Issuer on ____, 2025, and a Trust Indenture dated as of November 1, 2025 (the “Indenture”) between the Issuer and Wilmington Trust, National Association, as Trustee (the “Trustee”). Unless the context clearly indicates otherwise, each capitalized term used in this opinion shall have the same meaning as set forth in the Indenture.

The Issuer has determined to issue and sell the Bonds for the purpose of lending the proceeds thereof to 1950 Webberville Road (TX) Owner LP (the “Borrower”), a limited partnership organized and existing under the laws of the State of Texas (the “State”), pursuant to a Loan Agreement, dated as of November 1, 2025 (the “Loan Agreement”) between the Issuer and the Borrower to finance a portion of the costs of development and equipping of a multifamily rental housing project known as the Heritage Pointe Seniors Apartments (the “Project”).

The Internal Revenue Code of 1986, as amended (the “Code”) provides that a governmental unit may issue bonds the interest on which is excludable from gross income to provide residential rental housing projects with set-asides of a percentage of the units for tenants with incomes at or below the income levels defined in the Code. The Issuer, the Borrower and the Trustee have entered into an Amended and Restated Regulatory Agreement and Declaration of Restrictive Covenants, dated as of November 1, 2025 (the “Regulatory Agreement”) to provide for rental of the Project to tenants in conformity with the requirements of the Code.

The Code also imposes various other requirements which the Issuer and the Borrower must meet subsequent to the issuance and delivery of the Bonds for interest thereon to remain excludable from gross income of the owners of the Bonds for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with these requirements. Noncompliance with such requirements may cause interest on the Bonds to be includible in the gross income of the owners of the Bonds for federal income tax purposes, retroactive to the date of issue of the Bonds or as of some later date. Further, an officer of the Issuer responsible for issuing the Bonds and a representative of the Borrower have executed a certificate stating the reasonable expectations of the Issuer and Borrower on the date of

* Preliminary; subject to change.

issue of the Bonds as to future events that are material for the purposes of Section 148 of the Code pertaining to arbitrage bonds.

In connection with the issuance of the Bonds, we have examined the Act, the documents described above, and such other documents and matters of law as we have deemed necessary to render the opinions set forth below. As to questions of fact material to our opinion, without undertaking to verify the same by independent investigation, we have relied upon representations of the Issuer contained in the Indenture, the certified proceedings of the Issuer, certifications by public officials, and certifications by the officers, employees and representatives of the Issuer and certain other persons involved in the issuance and sale of the Bonds.

We express no opinion as to the existence of or title to real or personal property, and we express no opinion as to the creation, validity or priority of any lien upon, assignment of, pledge of or security interest in any real or personal property. It is the Trustee's responsibility to continue or maintain the perfection, priority or validity of any liens, assignments, security interests or pledges created as security for the Bonds.

In connection with this opinion, we have not reviewed or examined any financial information or other information with respect to the Project relating to the Bonds or the Project, and we express no opinion relating thereto herein.

This opinion does not constitute or imply a recommendation of the market or financial value of the Bonds or an assessment of the strength or appropriateness of the covenants of any of the parties to any of the documents executed in connection with the Bonds, the possibility of default, the eligibility or suitability of the Bonds as an investment, or any other legal or financial aspect of the Bonds not expressly addressed herein.

We have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals of such latter documents.

Based on the foregoing, and subjection to the assumptions and qualifications set forth herein, we are of the opinion that:

1. The Issuer is duly created and validly exists under the Act as a public facility corporation and nonprofit instrumentality of the Housing Authority of the City of Austin with full power to issue and sell and deliver the Bonds.

2. The Issuer has duly adopted the Resolution. The Indenture, the Loan Agreement and the Regulatory Agreement have been duly executed and delivered by the Issuer. The issue, sale, and delivery of the Bonds have been duly authorized by the Issuer in accordance with the Act, and the Bonds are a valid and binding special limited obligation of the Issuer.

3. The Bonds, the Indenture, the Loan Agreement and the Regulatory Agreement, assuming enforceability against the other parties thereto, represent the valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms, except to the extent that enforcement may be limited by general principles of equity that may permit the exercise in the future by the State and its instrumentalities of the police power inherent in the sovereignty of the State, and applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect.

4. Interest on the Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Bonds, assuming the accuracy of the certifications of the Issuer and the Borrower and continuing compliance by the Issuer and the Borrower with the requirements of the Code, except that interest on the Bonds shall not be excludable while held by a "substantial user" of the Project or a "related person" as provided in the Code. We express no opinion regarding other federal tax consequences of ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

The opinions and conclusions set forth herein may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or whether such events do occur, and we disclaim any obligations to update this letter. Our engagement with respect to the Bonds has concluded with their issuance.

We call your attention to the fact that the Bonds and the interest thereon are special, limited obligations of the Issuer, payable exclusively from, and secured only by, the revenues and receipts under the Loan Agreement and pledged therefor under the Indenture. The Bonds do not constitute a debt of the City of Austin, Texas, the Housing Authority of the City of Austin or of the State, or of any political subdivision thereof within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of Issuer, the City of Austin, Texas, the Housing Authority of the City of Austin or the State. The Bonds shall not constitute a general obligation of or a charge against the general credit of the Issuer, the City of Austin, Texas, the Housing Authority of the City of Austin or the State, but shall be a special, limited obligation of the Issuer payable solely from the sources described in the Bonds and in the Indenture, but not otherwise. The Issuer has no taxing power.

Very truly yours,

COATS ROSE, P.C.