PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 26, 2025

NEW ISSUE – Book-Entry Only

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

In the opinion of Bond Counsel to the Issuer (the proposed form of which is attached hereto as Appendix F) and subject to the caveats below, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance with certain covenants intended to assure compliance with the applicable provisions of the Code and the regulations thereunder, interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes, except that such exclusion does not apply with respect to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code and the regulations thereunder. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of calculating the alternative minimum tax. See "TAX MATTERS" herein for a more complete discussion of the tax status of interest on the Bonds.

$9,500,000*
Alabama Housing Finance Authority
Multi-Family Housing Revenue Bonds
(Providence Park Apartments Project), 2025 Series E

Dated: Date of Delivery	**Maturity Date: July 1, 2029***
Initial Interest Rate: ___%	**Initial Mandatory Tender Date: July 1, 2028***
Initial Offering Price: 100%*	**Optional Call Date: January 1, 2028***
	CUSIP: _____

Alabama Housing Finance Authority (the "Issuer") is issuing its Multi-Family Housing Revenue Bonds (Providence Park Apartments Project), 2025 Series E (the "Bonds") pursuant to a Trust Indenture dated as of December 1, 2025 (the "Indenture"), by and between the Issuer and Synovus Bank, a Georgia state banking corporation, as trustee (the "Trustee"). The Bonds shall bear interest on the outstanding principal amount thereof at the rate set forth above (the "Initial Interest Rate") from their date to but not including the Initial Mandatory Tender Date, payable on each January 1 and July 1 commencing July 1, 2026*. See "THE BONDS" herein.

The Bonds are being issued to purchase a loan (the "Bond Loan") to be made by ServisFirst Bank, an Alabama banking corporation (in such capacity, the "Lender"), to Providence Park Apartments, Ltd., an Alabama limited partnership (the "Borrower") to enable the Borrower to pay a portion of the cost of acquiring, rehabilitating, installing and equipping an approximate 56-unit multi-family residential rental housing facility known as Providence Park Apartments, and located in Mobile, Alabama (the "Project"). The Bond Loan will be made to the Borrower pursuant to a Loan Agreement, dated as of December 1, 2025 (the "Bond Loan Agreement"), between the Lender and the Borrower, which will be assigned by the Lender to the Issuer and by the Issuer (except for Reserved Rights) to the Trustee. Pursuant to the Bond Loan Agreement, 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 equal amounts from 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 (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, mandatory tender or acceleration, as further described herein.

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

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

THE ISSUER SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS, OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER EXCEPT FROM THE SOURCES SPECIFICALLY PLEDGED THERETO PURSUANT TO THE INDENTURE, AND NEITHER THE BONDS NOR ANY OF THE AGREEMENTS OR OBLIGATIONS OF THE ISSUER SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE OR TO CREATE IN ANY MANNER A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF OR A PLEDGE OR A GRANT OF THE FAITH AND CREDIT OF THE STATE OR ANY SUCH POLITICAL SUBDIVISION OR ANY SUCH AGENCY, BUT SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SECURITY AND OTHER FUNDS PLEDGED THEREFOR AND SHALL NOT BE PAYABLE FROM ANY OTHER ASSETS OR FUNDS OF THE ISSUER, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered for delivery when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and subject to the approval of legality by Maynard Nexsen PC, Birmingham, Alabama, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., for the Issuer by its counsel, Maynard Nexsen PC, Birmingham, Alabama, and for the Borrower by its counsel, Bradley Arant Boult Cummings LLP, Birmingham, Alabama, and for the Lender by its counsel, Compton Jones Dresher LLP, Birmingham, Alabama. 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 December __, 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: December __, 2025

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* Preliminary; subject to change.

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

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

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

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

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

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

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

TABLE OF CONTENTS

OFFICIAL STATEMENT

$9,500,000*
Alabama Housing Finance Authority
Multi-Family Housing Revenue Bonds
(Providence Park Apartments Project), 2025 Series E

INTRODUCTION

This Official Statement (this "Official Statement") has been prepared in connection with the issuance of the above-captioned Bonds (the "Bonds") by Alabama Housing Finance Authority (the "Issuer"), a public corporation and instrumentality organized under the laws of the State of Alabama (the "State"), and its successors and assigns. The Board of Directors of the Issuer has authorized the issuance of the Bonds by its resolution, duly adopted on September 25, 2025 (the "Bond Resolution") and the Bonds are issued pursuant to a Trust Indenture dated as of December 1, 2025 (the "Indenture"), by and between the Issuer and Synovus Bank, a Georgia banking corporation, as trustee (the "Trustee"). Certain capitalized terms that are used in this Official Statement and not otherwise defined shall have the definitions ascribed to them in "APPENDIX A – DEFINITIONS OF CERTAIN TERMS" hereto.

The Bonds are to be issued pursuant to Act No. 80-585 adopted at the 1980 Regular Session of the Alabama Legislature, as amended and as codified as Chapter 1A of Title 24 of the Code of Alabama 1975 (the "Act"), for the purpose of providing funds to purchase a loan (the "Bond Loan") made by ServisFirst Bank, an Alabama banking corporation (in such capacity, the "Lender"), to Providence Park Apartments, Ltd., an Alabama limited partnership (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, rehabilitating, installing and equipping an approximate 56-unit residential rental housing facility known as Providence Park Apartments located in Mobile, Alabama (the "Project"). See "PRIVATE PARTICIPANTS" and "THE PROJECT" herein.

The Bond Loan will be made to the Borrower under a Loan Agreement dated as of December 1, 2025 (the "Bond Loan Agreement"), between the Lender and the Borrower. The Lender will assign the Bond Loan Agreement to the Issuer which will assign it (except for Reserved Rights) to the Trustee as security for the Bonds. Pursuant to the Bond Loan Agreement, the Borrower has agreed to make payments to the Lender in amounts sufficient to pay the principal of and interest on the Bonds when due (the "Bond Service Charges") to the extent that amounts otherwise available for such payment are insufficient therefor. The Bond Loan will be evidenced by a promissory note in the principal amount of $9,500,000* (the "Bond Note") from the Borrower to the Lender and endorsed to the Issuer and then to the Trustee.

Pursuant to the Indenture and the Bond Loan Agreement, the Borrower will cause certain funds derived from a portion of the proceeds of the Bank Loan and a portion of the proceeds of the City Loan (collectively, the "Eligible Funds") to be deposited into the Collateral Fund held by the Trustee under the Indenture. Prior to the disbursement of amounts drawn from the Project Fund to pay costs of the Project, a like amount of funds from those other loan sources must be deposited to the Collateral Fund. See "ELIGIBLE FUNDS AND DISBURSEMENT OF BOND PROCEEDS" and "THE PROJECT – Plan of Financing" herein.

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

The Bonds shall bear interest on the outstanding principal amount thereof at the rate set forth on the cover page hereof, from their date, to but not including, July 1, 2028* (the "Initial Mandatory Tender Date"), payable on each January 1 and July 1, commencing July 1, 2026* (each an "Interest Payment Date") and on each Mandatory Tender Date.

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* Preliminary; subject to change.

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

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

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" below, the Borrower expects to obtain permanent financing for the Project primarily from the proceeds of a permanent loan (the "Permanent Loan") from the Lender or another institutional lender (the "Permanent Lender").

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

THE ISSUER

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

General

The Issuer is a public corporation and instrumentality of the State, created on August 25, 1980, pursuant to the Act. One of the Issuer's purposes is to issue bonds and use the proceeds therefrom to finance the acquisition, rehabilitation or construction of multi-family residential rental housing for occupancy by persons and families of low and moderate income. The principal office of the Issuer is located at 7460 Halcyon Pointe Drive, Suite 200, Montgomery, Alabama 36117, telephone (334) 244-9200. The Issuer's website may be accessed at www.ahfa.com.

Pursuant to the Act, the Issuer has the power to purchase mortgage loans from mortgage lenders and to contract with mortgage lenders with regard to the origination and servicing of mortgage loans. The Issuer is also empowered to issue bonds in order to provide funds for any of its corporate purposes, to grant security interests in any or all of its mortgage loans and mortgages and to pledge revenues from which its bonds are payable. In addition, the Issuer may take such other action as may be necessary or desirable to accomplish any purpose for which the Issuer is organized or to exercise any power granted under the Act. There are no debt ceilings imposed by State law on the Issuer.

Directors of the Issuer

The powers of the Issuer are vested in its Board of Directors (the "Board"). The Board has fifteen membership positions, one member from each of the seven congressional districts of the State being appointed by the Governor for staggered terms of office, one member being appointed by the Governor from the State at large, two members being appointed by the Speaker of the House of Representatives, two members being appointed by the Lieutenant Governor, and three State officials (i.e., the Director of Finance, the Superintendent of Banks and the State Treasurer) serving as ex-officio members. The Act requires that at the time of their initial appointment, two members be engaged in the business of home building, two members be licensed real estate brokers who are not in the business of home building, one member be engaged in the business of lending money on the security of residential mortgages or be an officer or employee of a mortgage lender, one member be an elected commissioner of a county and one member be an elected mayor of a municipality. The Act provides that each member (other than ex-officio members) shall hold office for a term of seven years and until his successor shall have been appointed and qualified. The Board members serve without salary. The Issuer has a staff of approximately 156 persons, including Robert Strickland, who serves as the Executive Director of the Issuer.

The present members of the Board, their occupations, residences and the expiration date of the terms for which they were appointed, are as follows:

Name	**Occupation**	**Residence (all cities are in Alabama)**	**Expiration of Term**
Robert L. Smith *Chairman*	Vice President Auburn Bank	Auburn	05/30/30
James W. Rutland, IV *Vice Chairman*	President Lowder New Homes	Montgomery	01/01/27
Thomas “Blake” Corder *Secretary*	President Crimson Properties, LLC	Tuscaloosa	01/01/30
Carolyn Norman *Treasurer*	Broker/Owner Norman Realty, Inc.	Mobile	05/30/31
Craigory Kelley	President Lurleen B. Wallace Community College	Andalusia	05/31/32
Jeff Mims	Mayor City of Clanton, Alabama	Clanton	05/31/32
Benjamin A. Byrd	President Byrd Builders, LLC	Prattville	12/31/29
Guirreck Walton	Owner, President Legacy Builders Construction	Dothan	05/31/29
Joshua Dean	President Precision HomeCrafters, LLC	Birmingham	05/30/28
Annie Furrer	Banker Citizens Bank & Trust	Guntersville	01/01/28
Glenn Horton	Broker Southern Properties Agency, Inc.	Fort Payne	05/30/27
Ray Long	Commissioner Morgan County, Alabama	Somerville	05/30/26
Young Boozer	State Treasurer State of Alabama	Montgomery	Ex officio
Bill Poole	Director of Finance State of Alabama	Tuscaloosa	Ex officio
Mike Hill	Superintendent of Banks State of Alabama	Montgomery	Ex officio

Legislative Oversight Committee

The Act provides for a Legislative Oversight Committee, the function of which is to provide recommendations to the Board of Directors concerning the efficient operation of the Issuer. The Committee consists of seven members of the House of Representatives, one from each of the congressional districts, appointed by the Speaker of the House, and seven members of the Senate, one from each of the congressional districts, appointed by the Lieutenant Governor. The Governor, Lieutenant Governor and Speaker of the House or their designated representatives are ex-officio members of the Legislative Oversight Committee.

Multi-Family Financings of the Issuer

The Issuer has established several programs to finance the construction of multi-family housing for persons and families of low and moderate income within the State. As of September 30, 2025, the Issuer had issued approximately $1,300,000,000 in aggregate principal amount of bonds (the "Multi-Family Bonds") pursuant to such programs. Each such issue of Multi-Family Bonds was issued pursuant to, and secured by, a separate indenture of trust. The revenues, moneys and assets pledged to the Bonds secure only the Bonds, and none of the revenues, moneys and assets pledged to any other series of Multi-Family Bonds secure the Bonds.

Multi-Family Low Income Housing Tax Credits

The Tax Reform Act of 1986 provides for (among other things) tax credits for the development of low-income rental housing. Under an Executive Order promulgated by the Governor of the State in April 1987, the Issuer was given the responsibility of allocating tax credits for developers of residential rental projects in the State. A minimum of 20% of these units is designated for occupancy by low-income tenants. As of September 30, 2025, there were 41,431 low-income rental units in the Issuer's tax credit program, representing $411,906,487 in such tax credits.

Single Family Financings of the Issuer

Through its single-family mortgage programs, the Issuer has from time to time issued single-family mortgage revenue bonds ("Single-Family Bonds") to purchase single-family mortgage loans (or GNMA and Fannie Mae Certificates representing such mortgage loans) to finance single-family residences in the State. As of September 30, 2025, the Issuer had expended the proceeds of 68 issues of Single-Family Bonds to purchase approximately $3,300,000,000 in aggregate principal amount of such single-family mortgage loans or the GNMA or Fannie Mae Certificates representing them. In the fourth quarter of 2025, the Issuer expects to issue approximately $75,000,000 of its Collateralized Single Family Mortgage Revenue Bonds, Series 2025 C for the purpose of purchasing additional single-family mortgage loans in the State (or the GNMA or Fannie Mae Certificates representing such loans). The revenues, moneys and assets separately pledged to such Single-Family Bonds are not available as security for payment of debt service on the Bonds.

Future Financings of the Issuer

Consistent with State and federal law, the Issuer may from time to time in the future issue additional single family mortgage revenue bonds and additional multifamily residential development revenue bonds.

The Issuer has not participated in the preparation of this Official Statement and makes no representation with respect to the accuracy or completeness of any of the material contained in this Official Statement, except for the information relating to the Issuer under the heading "THE ISSUER." The Issuer is not responsible for providing any purchaser of the Bonds with any information relating to the Bonds or any of the parties or transactions referred to in this Official Statement or for the accuracy or completeness of any such information obtained by any purchaser.

THE ISSUER SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS, OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER EXCEPT FROM THE SOURCES SPECIFICALLY PLEDGED THERETO PURSUANT TO THE INDENTURE, AND NEITHER THE BONDS NOR ANY OF THE AGREEMENTS OR OBLIGATIONS OF THE ISSUER SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE

MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE OR TO CREATE IN ANY MANNER A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF OR A PLEDGE OR A GRANT OF THE FAITH AND CREDIT OF THE STATE OR ANY SUCH POLITICAL SUBDIVISION OR ANY SUCH AGENCY, BUT SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SECURITY AND OTHER FUNDS PLEDGED THEREFOR AND SHALL NOT BE PAYABLE FROM ANY OTHER ASSETS OR FUNDS OF THE ISSUER, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND "ABSENCE OF LITIGATION" (WITH RESPECT TO 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.

ELIGIBLE FUNDS AND DISBURSEMENT OF BOND PROCEEDS

Over time, the Borrower will request periodic advances of the Bond Loan. To the extent permitted under the Bond Loan Agreement and the Indenture, the Borrower may direct the Lender or other entity making a deposit of Eligible Funds to deposit the Eligible Funds in the full or partial amount of each related loan disbursement as security for the Bonds in exchange for a like amount of Bond proceeds from the Project Fund, which shall be disbursed by the Trustee to, or at the direction of, the Borrower, all in accordance with the Bond Loan Agreement and the Indenture. The maximum aggregate amount of funds to be deposited as Eligible Funds over time will be $9,500,000*.

Bond Service Charges shall be payable as they become due, (i) in the first instance from the moneys on deposit in the Bond Fund, including the Negative Arbitrage Account thereof, and (ii) thereafter, from moneys on deposit in the Collateral Fund or the Project Fund and transferred as necessary to the Bond Fund. The Indenture provides that the amount of funds disbursed from the Project Fund on any given date for payment of Project Costs shall at all times equal the sum of Eligible Funds deposited in the Collateral Fund. Accordingly, the aggregate amount in the Collateral Fund and the Project Fund shall at all times equal 100% of the principal amount of the Bonds outstanding.

Notwithstanding any provision of the Bond Loan Agreement or the Indenture to the contrary, the Trustee will not act upon the delivery of a certified copy of the disbursement request of funds from the Project Fund, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has verified that the sum of the amount then held in the Collateral Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund, is at least equal to the then outstanding principal amount of the Bonds. Upon receipt of a Collateral Payment, Trustee shall be obligated to disburse Bond proceeds in the amount of the Collateral Payment to, or at the direction of, the applicable Collateral Payment Lender to the extent permitted under the Bond Loan Agreement and the Indenture.

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

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* Preliminary; subject to change.

THE BONDS

Terms of Bonds Generally

The Bonds shall be issued in Authorized Denominations and shall mature on July 1, 2029* (the "Maturity Date"). The Bonds are dated their date of delivery and shall bear interest at the Initial Interest Rate from their date of delivery, to but not including the Initial Mandatory Tender Date, payable on each Interest Payment Date, commencing July 1, 2026* and on each Mandatory Tender Date.

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

The principal of and interest on any of the Bonds shall be payable in lawful money of the United States of America. Except as described below under the subcaption "Book-Entry-Only System", (a) the principal of any Bond shall be payable when due to a Holder upon presentation and surrender of such Bond at the Designated Office of 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 of the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein.

Redemption of Bonds

Optional Redemption. The Bonds are subject to optional redemption, as a whole but not in part, by the Issuer at the written direction of the Borrower delivered to the Issuer and the Trustee on any date on or after the later to occur of: (i) the date that the Project is placed in service, as certified in writing by the Borrower to the Trustee, and (ii) the Optional Call 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, which date, if any, shall be a Business Day determined by the Borrower in consultation with the Remarketing Agent and the Trustee, in the event the Borrower exercises the option to prepay the Bond Note and amounts are paid from the proceeds of refunding bonds or otherwise from available and sufficient Eligible Funds; provided, however, that notwithstanding anything in the Indenture to the contrary, the Bonds shall not be subject to optional redemption at any time in any amount prior to the date the Trustee receives a certificate from the Borrower stating that (i) the last building in the Project has been placed in service for purposes of Section 42 of the Code and (ii) at least 50% of the aggregate basis in the land and buildings of the Project has been financed or will be financed with the proceeds of the Bonds.

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

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

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* Preliminary; subject to change.

to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Bond surrendered. If less than all of an Outstanding Bond of one maturity in a Book Entry System is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the Holder of such Bond, and the selection of the Beneficial Ownership Interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

Notice of Redemption

Except for the notice of mandatory redemption upon the occurrence of a failed remarketing as described under the Indenture (and see "Redemption of Bonds – Mandatory Redemption" above), notices of redemption shall be given as set forth in this paragraph. 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 first class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 15 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 first class mail to the Holder of each Bond which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within 60 days following the date fixed for redemption of that Bond.

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 (and, in the case of partial redemption, the respective principal amounts) 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, (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 and (f) that the notice of redemption is conditioned upon there being deposited with the Trustee on or prior to the date of redemption money sufficient to pay the redemption price of the Bonds to be redeemed and, in the case of any redemption premium on Bonds, that there be on deposit Eligible Funds sufficient to pay such redemption premium.

Mandatory Tender

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

Mandatory Tender Notice

<u>Notice to Holders</u>. Not less than 15 days preceding a Mandatory Tender Date, the Trustee will give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a written copy, along with notice by telephone, telecopy or electronic mail to the Borrower, the Limited Partner, and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

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

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

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

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

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

Undelivered Bonds

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

Purchase of Tendered Bonds

The Trustee will utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority:

(a) amounts representing proceeds of remarketed Bonds deposited in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase;

(b) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase;

(c) amounts on deposit in the Bond Fund to pay the accrued interest; if any, on Bonds tendered for purchase;

(d) amounts on deposit in the Project Fund to pay the accrued interest, if any, on the Bonds tendered for purchase; and

(e) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Book-Entry Only System

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

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 each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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).

Redemption proceeds, distributions, and debt service 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 payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service 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 securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. The Issuer may decide to discontinue use of the book-entry system if DTC (or a successor securities depository) determines not to act as securities depository for the Bonds. In that event, Bond certificates will be printed and delivered as provided in the Indenture.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be secured by all right, title and interest of the Issuer in the Trust Estate, including, but not limited to (i) the Revenues, including, without limitation, all Bond Loan Payments, Eligible Funds and other amounts receivable by or on behalf of the Issuer under the Bond Loan Agreement in respect of repayment of the Bond Loan, (ii) the Special Funds, including all accounts in those Funds and all moneys deposited therein and the investment earnings on such moneys, (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 moneys in the Special Funds are invested, and (except for moneys 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 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 by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, (iv) the Bond Note and (v) the Bond Loan Agreement, except for, with respect to all clauses (i) through (v), the Reserved Rights (the foregoing collectively referred to as the "Trust Estate").

THE ISSUER SHALL NOT 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, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER EXCEPT FROM THE SOURCES SPECIFICALLY PLEDGED THERETO PURSUANT TO THE INDENTURE, AND NEITHER THE BONDS NOR ANY OF THE AGREEMENTS OR OBLIGATIONS OF THE ISSUER SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION WHATSOEVER. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE OR TO CREATE IN ANY MANNER A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF OR A PLEDGE OR A GRANT OF THE FAITH AND CREDIT OF THE STATE OR ANY SUCH POLITICAL SUBDIVISION OR ANY SUCH AGENCY, BUT SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES AND OTHER FUNDS PLEDGED THEREFOR AND SHALL NOT BE PAYABLE FROM ANY OTHER ASSETS OR FUNDS OF THE ISSUER, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

Repayment of Bond Loan

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

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

Bond Fund

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Bond Loan Payments due on any Bond Payment Date, all Bond Loan Payments under the Bond Loan Agreement shall be paid on each Bond Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay the interest and the principal due on the Bonds on such Bond Payment Date.

The Bond Fund (and accounts therein) and the moneys and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due.

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

Bond Service Charges shall be payable, as they become due, in the case of principal (a) in the first instance from the money on deposit in the Bond Fund, (b) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (c) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

In the case of (a) an optional redemption of the Bonds pursuant to the Indenture and prepayment of the Bond Loan by the Borrower pursuant to the Bond Loan Agreement or (b) a mandatory redemption of the Bonds pursuant to the Indenture and prepayment of the Bond Loan by the Borrower pursuant to the Bond Loan Agreement, money on deposit in the Bond Fund, the Collateral Fund and the Project Fund shall be used to pay the redemption price of the applicable Bonds to be so redeemed in the manner provided above for the payment of Bond Service Charges and shall be credited to the prepayment of the Bond Loan to the extent so used.

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

Project Fund

The Project Fund will be funded with the proceeds of the Bonds on the Closing Date. Upon the deposit of Eligible Funds in the Collateral Fund as provided in the Indenture, the Trustee shall disburse the Bond proceeds on deposit in the Project Fund to, or at the direction of, the Borrower and the Eligible Funds Lender to pay Project Costs in accordance with the Bond Loan Agreement.

To the extent moneys are not otherwise on deposit with the Trustee, including amounts on deposit in the Bond Fund or the Collateral Fund, then on each Interest Payment Date, the Trustee will transfer from the Project Fund to the Bond Fund, sufficient moneys to make the necessary interest and principal payments coming due on such date.

Collateral Fund

All Eligible Funds received by the Trustee shall be deposited in the Collateral Fund. Interest earnings on amounts in the Collateral Fund shall be transferred to the Bond Fund on each Interest Payment Date and used to pay interest on the Bonds on such Interest Payment Date.

Investment of Special Funds; Eligible Investments

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

Additional Bonds

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

PRIVATE PARTICIPANTS

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

The Borrower

The Borrower for the Project is Providence Park Apartments, Ltd, an Alabama limited partnership, a single asset entity formed for the specific purpose of acquiring, owning, and operating the Project. The general partner of the Borrower is Independent Living Investments – Providence Park, LLC, an Alabama limited liability company (the "General Partner"), which will own a 0.01% ownership interest in the Borrower. Raymond James Tax Credit Fund XX L.L.C., a Florida limited liability company (the "Limited Partner"), will own a 99.99% interest in the Borrower.

The Limited Partner

Contemporaneously with the issuance of the Bonds, the Limited Partner expects to acquire a 99.99% ownership interest in the Borrower. In connection with such acquisition, the equity funding arrangements for the funding of the federal low-income housing tax credit equity (the "Tax Credit Equity") are expected to be in the total amount set forth under "THE PROJECT — Plan of Financing" herein paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

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

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

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

The Developer

The developer for the Project is CMB Investments, LLC, an Alabama limited liability company (the "Developer"). The Developer was started in 2004 and has 20 years of experience in affordable housing development. The Developer has developed 634 units in Alabama.

The Architect

The architect for the Project is McKean & Associates, Architects, LLC, an Alabama limited liability company (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 43 years and has been the principal architect for approximately 656 multifamily developments with an excess of 36,000 units throughout Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee and Texas.

The General Contractor

The general contractor for the Project is Park Lane Construction, LLC (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based out of Birmingham, Alabama, the General Contractor was formed in Alabama and is an Alabama-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 3,800 units of affordable apartments.

The Property Manager

The Borrower has entered into a management agreement with Gateway Management Company, LLC (the "Property Manager") to manage the day-to-day operations of the Project. The Property Manager is not an affiliate of the Developer. The Property Manager has been involved in the management of affordable housing since 1986. The Property Manager currently manages 16,634 apartment units in nine states.

The Lender

ServisFirst Bank, an Alabama banking corporation (the "Bank Lender" or the "Lender"), will, upon satisfaction of certain conditions precedent, make the Bond Loan to the Borrower. The Lender is a commercial bank the deposits of which are insured to the extent provided by law by the Federal Deposit Insurance Corporation. The Lender, as of June 30, 2025, had approximately $17 billion in consolidated assets, has its main office in Birmingham, Alabama and branches in Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee and Virginia.

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 Providence Park Apartments, is located in Mobile, Alabama, on an approximately 6.04-acre site. The Project contains 56 apartment units in one building located at Cody Road, Mobile, Alabama. Common area improvements will include: clubhouse/community building, outdoor fitness activity area, covered picnic pavillion, computer center, exercise/fitness room, and covered bus stop shelter. Unit amenities include: range, HVAC, refrigerator, ice maker, dishwasher, ceiling fans, washers/dryers and microwaves. There are 84 parking spaces for resident use only.

It is anticipated that construction will commence promptly upon the issuance of the Bonds and funding of the initial installment of the Tax Credit Equity and will be completed in approximately 18 months.

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

Unit Type	Average Square Feet	Number of Units
1 bedroom 1 bath	814	28
2 bedroom 1 bath	977	28
TOTAL		**56**

Plan of Financing

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

Sources of Funds*	
Bond Proceeds	$9,500,000
Permanent Loan	3,171,189
Federal Tax Credit Equity	4,482,346
City Loan	7,550,000
Deferred Developer Fee	49,123
Total	**$24,752,658**

Uses of Funds*	
Acquisition Costs	$900,000
Construction Costs	9,551,561
Architect/Engineer/Third Party	330,800
Interim/Soft Costs	2,270,534
Costs of Issuance	210,286
Developer Fee	1,989,477
Payment of Bond Principal	9,500,000
Total	**$24,752,658**

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

The Bank Loan. The Project will utilize a construction loan (the "Bank Loan") from the Bank Lender. The obligation to repay the Bank Loan is set forth under a note (the "Bank Loan Note"). The Bank Loan is expected to be in the aggregate principal amount of $5,000,000* and is to bear interest at the rate of The Wall Street Journal Prime Rate less 50 basis points per annum, with a floor of 5% per annum. The Bank Loan proceeds will be disbursed by the Bank Lender to the Trustee based upon approved advances. Such advances will be evidenced by the Bank Loan Note, secured by a first priority mortgage on the Project, a first priority pledge of the Low-Income Housing Tax Credit equity investment proceeds described below, a first priority assignment of the general partner's interest in the Borrower, and an assignment of the deferred developer fee, among other collateral and credit support, all as evidenced by the Bank Loan financing documents. It is anticipated that proceeds of the Bank Loan will be deposited into the Collateral Fund, thereby permitting the Trustee to transfer a like amount from the Project Fund pursuant to the Indenture. The Bank Loan will require interest only payment monthly and will mature 24 months following the Closing Date.

The Permanent Loan. ServisFirst Bank has issued a commitment to the Borrower, dated August 6, 2025, as updated November 25, 2025 (the "Commitment"), for a direct, taxable mortgage loan in the amount of up to $3,171,189*. Upon satisfaction of the conditions contained within the Commitment, ServisFirst as Permanent Lender will make the Permanent Loan to the Borrower, the proceeds of which will be used to pay back a portion of the Bank Loan. The obligation to repay the Permanent Loan will be set forth in a promissory note (the "Permanent Loan Note") from the Borrower to the Permanent Lender, which will have a term of 216 months, with amortization over a 35-year period. The Permanent Loan would be at a fixed rate of interest of 6.25% per annum. At the Borrower's election, and subject to compliance with the Organizational Documents, the Financing Documents and the Construction Loan

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* Preliminary; subject to change.

documents, Borrower may elect a substitute Permanent Lender other than ServisFirst Bank, for a Permanent Loan the terms of which may vary from those set forth herein. The Borrower is actively seeking such other Permanent Loan through established commercial mortgage loan programs of government sponsored enterprises.

The Low Income Housing Tax Credit Proceeds. Contemporaneously with the issuance of the Bonds, the Limited Partner expects to acquire a 99.99% ownership interest in the Borrower. In connection with such acquisition, the funding of the Tax Credit Equity will total approximately $4,482,346*, with approximately $896,469* expected to be funded in connection with the issuance of the Bonds. 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.

The City Loan. The Project will also utilize a loan from proceeds of the America Rescue Plan Act received by the City of Mobile, Alabama (the "City Lender") in the principal amount of $7,550,000* (the "City Loan"). The obligation to repay the City Loan will be set forth in a promissory note (the "City Promissory Note") from the Borrower to the City Lender, and the City Loan will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The City Promissory Note will be secured by a subordinate mortgage against the Project subordinate to the Bank Loan. The City Promissory Note will have a term of 20 years and will bear interest at a rate of 0.5% per annum, with annual principal and interest not otherwise paid, due at maturity.

Deferred Developer Fee. The Project will also utilize a deferred developer fee in the amount of $49,123* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

Project Regulation

The Borrower intends to operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds, the Borrower, the Trustee and the Issuer will enter into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of December 1, 2025 (the "Land Use Restriction Agreement"). Under the Land Use Restriction Agreement, the Borrower will agree that, at all times during the qualified project period (as defined in the Land Use Restriction Agreement), the Borrower will rent at least 40% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 60% of the area median income (adjusted for family size) ("AMI"). See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT" herein.

In addition to the rental restrictions imposed upon the Project by the Land Use Restriction Agreement, the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the federal low-income housing tax credits anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the "Tax Credit Units"). All 56 of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 60% of AMI, adjusted for family size.

THE BOND MORTGAGE

Pursuant to the Bond Mortgage, the Borrower mortgages, warrants, grants, conveys and assigns unto the Lender, which will assign to the Issuer and then to the Trustee, and its successors or successors in trust, the Project and Bond Loan Payments together with other property and rights of the Borrower to secure the repayment of the Bond Loan.

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* Preliminary; subject to change.

The lien of the Bond Mortgage is junior and subordinate to the liens securing the Construction Loan. In the event of any conflict between the provisions of the Bond Mortgage and the Construction Loan documents, the Construction Loan documents will control. No enforcement action may be taken under the Bond Mortgage without the consent of the Lender. FURTHER, THE BOND MORTGAGE WILL NOT BE RECORDED, NOR WILL ANY REMEDIES CONNECTED WITH THE BOND MORTGAGE BE EXERCISED, WITHOUT THE PRIOR WRITTEN CONSENT OF THE LENDER.

CERTAIN HOLDERS' RISKS

The following is a summary of certain risks associated with a purchase of the Bonds. There are other possible risks not discussed below. The Bonds are payable from the payments to be made by the Borrower under the Bond Loan Agreement and the Bond Note and from amounts on deposit in the Special Funds and the interest earnings thereon. The Borrower's obligation to make payments pursuant to the Bond Loan Agreement and the Bond Note are nonrecourse obligations with respect to which the Borrower and its members have no personal liability (except as otherwise provided in the Bond Note) and as to which the Borrower and its members have not pledged any of their respective assets.

General

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

Limited Security; Investment of Funds

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

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

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited in the Project Fund. Such amounts are to be invested in Eligible Investments pursuant to the Indenture.

The Trustee is required to invest amounts held in the Special Funds in Eligible Investments, as defined in the Indenture. See "APPENDIX B —SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE — Investment of Special Funds and Rebate Fund." Debt service on the Bonds has been scheduled assuming that the amounts held in the Special Funds earn no interest prior to the Maturity Date. Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Early Redemption of the Bonds

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

Taxability

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

Issuer Limited Liability

The Bonds will not be insured or guaranteed by any governmental entity or by the Issuer or any member or program participant of the foregoing. The Holders 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 Bond Loan Agreement, the Land Use Restriction 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 Eligible Funds received by the Trustee for deposit into the Collateral Fund are required to be invested in Eligible Investments. See "APPENDIX A – DEFINITIONS OF CERTAIN TERMS" hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Project Fund or the Collateral Fund, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Rating Based on Eligible Investments

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

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

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 of the Project, suspension or delay of site inspections and other on-site meetings, interruption in the engagement of material participants in the Project, increase in the time necessary to conduct lease-up at the Project, and increased delinquencies and/or vacancies, all of which could impact the Borrower's ability to make payments on the loans and result in a default and acceleration thereof.

Summary

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

TAX MATTERS

General

In the opinion of Bond Counsel (the proposed form of which is attached hereto as APPENDIX F) and subject to the caveats below, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance with certain covenants intended to assure compliance with the applicable provisions of the Code and the regulations thereunder, interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes, except that such exclusion does not apply with respect to interest on any Bond for any period during which such Bond is held by a person who is a "substantial user" of the Project or a "related person" within the meaning of Section 147(a) of the Code and the regulations thereunder. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations.

Under Section 148 of the Code, interest on the Bonds will not be excluded from gross income for federal income tax purposes unless (i) the investment of the proceeds of the Bonds meets certain arbitrage requirements and (ii) certain "excess" earnings on such investments are rebated to the United States of America (collectively, the "Arbitrage Restrictions").

The Code imposes various restrictions, conditions and requirements (including the Arbitrage Restrictions) relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Issuer and the Borrower have covenanted to comply with certain requirements designed to assure that interest paid on the Bonds will not become includable in gross income for federal income tax purposes. In concluding that the interest on the Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (i) rely as to certain factual matters upon representations and certifications of the Borrower with respect to the use of the proceeds of the Bonds and the design, scope, function, cost, reasonably expected remaining economic useful life and use of the facilities constituting the Project, without undertaking to verify the same by independent investigation, and (ii) assume the continued compliance by the Borrower with its covenants relating to the use of the proceeds of the Bonds and compliance with other requirements of the Code. The inaccuracy of any such representations, or noncompliance with such covenants, may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Bond Counsel also will rely on the opinion of Bradley Arant Boult Cummings LLP, counsel to the Borrower, and Compton Jones Dresher LLP, counsel to the Lender, with respect to certain issues.

Bond Counsel has not undertaken to determine or to inform any person, as to whether any actions are taken (or not taken) or events occur (or do not occur) after the date of delivery of the Bonds which may affect exclusion from gross income of interest on the Bonds for federal income tax purposes.

From time to time, there have been legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The accrual or receipt of interest on the Bonds may otherwise affect a Holder's income tax liability. The nature and extent of these other tax consequences will depend upon the Holder's particular tax status and the Holder's other items of income and deduction. Bond Counsel expresses no opinion regarding such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, and United States branches of foreign corporations), property and casualty insurance companies, banks, thrifts or other financial institutions, recipients of Social Security or Railroad Retirement benefits, or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors concerning their tax consequences of purchasing and holding the Bonds.

Bond Counsel is also of the opinion that, under the Act, interest on the Bonds is exempt from present income taxation by the State of Alabama.

Premium

An amount equal to the excess of the purchase price of a Bond over its stated redemption price at maturity constitutes premium on such Bond. A purchaser of a Bond must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Bond is reduced by a corresponding amount, resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Bonds.

Collateral Tax Consequences

Except as expressly stated above, Bond Counsel expresses no opinion regarding any other federal or state tax consequences of acquiring, carrying, owning, or disposing of the Bonds, or the accrual or receipt of interest on, the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue discount, original issue premium, purchase at a market discount or at a premium, taxation upon sale, redemption or other disposition, and various withholding requirements.

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.

RATING

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

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

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

A failure by the Borrower to comply with the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker or dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price and the ability of the Issuer to issue and sell bonds in the future.

The Borrower is a new entity and has not previously been subject to the continuing disclosure requirements of the Rule.

The Issuer will not enter into the Continuing Disclosure Agreement and will not otherwise agree to provide continuing disclosure with respect to the Bonds or the Project.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to an approving opinion of Maynard Nexsen PC, Birmingham, Alabama, as Bond Counsel to the Issuer. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., for the Issuer by its counsel, Maynard Nexsen PC, Birmingham, Alabama, for the Borrower by its counsel, Bradley Arant Boult Cummings LLP, Birmingham, Alabama, and for the Lender by its counsel, Compton Jones Dresher LLP, Birmingham, Alabama. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds.

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 proceeding 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, or contesting the existence or powers of the Issuer with respect to, said transactions.

The Borrower

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

ADDITIONAL INFORMATION

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

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

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

[Remainder of page intentionally left blank]

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

PROVIDENCE PARK APARTMENTS, LTD.,
an Alabama limited partnership

By: Independent Living Investments-Providence Park, LLC,
an Alabama limited liability company,
its general partner

By: ______________________________
Clarence M. Ball, Jr.
Manager

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

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

"Act" means Act No. 80-585 adopted at the 1980 Regular Session of the Alabama Legislature, as amended and codified as Chapter 1A of Title 24 of the Code of Alabama 1975, as amended.

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

"Additional Payments" means the amounts (excluding Bond Loan Payments) required to be paid by the Borrower pursuant to the Bond Loan Agreement.

"Administrative Expenses" means the Ordinary Trustee Fees and Expenses, the Dissemination Agent Fee and the Ordinary Issuer Fees.

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

"Authorized Attesting Officer" means the Secretary or Assistant Secretary of the Issuer, or such other officer or official of the Issuer who, in accordance with the laws of the State, the bylaws or other governing documents of the Issuer, or practice or custom, regularly attests or certifies official acts and records of the Issuer, and includes any assistant or deputy officer to the principal officer or officers exercising such responsibilities.

"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.

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

“Bank Lender” means ServisFirst Bank, an Alabama banking corporation, in its capacity as Bank Loan lender.

“Bank Loan” means the loan or loans dated as of December 1, 2025, as such may be extended or amended, from the Bank Lender in the maximum principal amount of $5,000,000* made for the benefit of the Borrower.

“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 Maynard Nexsen PC or other counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes and satisfactory to the Issuer in its sole discretion.

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

“Bond Loan” means the mortgage loan by the Lender to the Borrower and purchased by the Issuer with the proceeds received from the sale of the Bonds.

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

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

“Bond Mortgage” means the Mortgage and Security Agreement, dated of even date with the Indenture, from the Borrower to the Lender, as amended or supplemented from time to time, and assigned to the Issuer and then to the Trustee.

“Bond Note” means the promissory note of the Borrower dated as of even date with the Bonds initially issued, in the form attached to the Bond Loan Agreement as Exhibit A and in the principal amount of the Bonds, evidencing the obligation of the Borrower to make Bond Loan Payments.

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

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

“Bond Resolution” means that certain resolution relating to the issuance and sale of the Bonds, adopted by the Governing Body on September 25, 2025.

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

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* Preliminary; subject to change.

"Bonds" means the Multi-Family Housing Revenue Bonds (Providence Park Apartments Project), 2025 Series E of the Issuer authorized in the Bond Resolution and the Indenture in an amount not to exceed $9,500,000*.

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

"Borrower" means Providence Park Apartments, Ltd., an Alabama limited partnership.

"Borrower Documents" means the Financing Documents to which the Borrower is a party.

"Business Day" means a day, other than a Saturday or a Sunday, on which (a) banking institutions in the City of New York or in the city in which the designated office of the Trustee or Remarketing Agent is located are authorized or obligated by law or executive order to be closed, or (b) The New York Stock Exchange is closed, and on which the United States Government makes payments of principal and interest on its Treasury obligations.

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

"Chairman" means the person serving as Chairman of the Issuer.

"City Lender" means the City of Mobile, an Alabama municipal corporation, in its capacity as administrator of American Rescue Plan funds in connection with the City Loan.

"City Loan" means the loan or loans dated as of December 1, 2025, as such may be extended or amended, from the City Lender in the maximum principal amount of $7,550,000* made for the benefit of Borrower.

"Closing Date" means December __, 2025.

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

"Collateral Fund" means the Collateral Fund created in the Indenture.

"Completion Certificate" means the certificate attached as an exhibit to the Bond Loan Agreement.

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* Preliminary; subject to change.

"Completion Date" means the date of completion of the Project evidenced in accordance with the requirements of the Bond Loan Agreement.

"Construction Lender" means, collectively, the Bank Lender and the City Lender, and their respective successors and assigns, in their capacities as provider of the Construction Loan and Eligible Funds Lenders.

"Construction Loan" means, collectively, the Bank Loan and the City Loan.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated as of the date of the Indenture 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.

"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 or Bond Service Charges thereon, and to effect transfers of book-entry interests in Bonds.

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

"Determination of Taxability " means the receipt by the Trustee of (1) a copy of written notice from the Commissioner or any District Director of the Internal Revenue Service or a determination by any court of competent jurisdiction, or (2) an Opinion of Bond Counsel, in either case to the effect that interest on the Bonds is not excludable for regular federal income tax purposes under Section 103(a) of the Code from gross income of any Holders of the Bonds (other than a Holder who is a substantial user of the Project or a related person as defined in the Code).

"Dissemination Agent" means the Trustee, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

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

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

"Eligible Funds" means, as of any date of determination, any of:

(a) the proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase price thereof by the Underwriter);

(b) moneys received by the Trustee representing advances to the Borrower of proceeds of the Construction Loan from an Eligible Funds Lender;

(c) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, any Affiliate of either the Borrower or the Issuer);

(d) any other amounts, including the proceeds of refunding bonds, for which, in each case, the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an "insider" within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

(e) the proceeds of draws by the Trustee on any letter of credit provided to the Trustee for the benefit of the Borrower;

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

(g) investment income derived from the investment of the proceeds, monies and other amounts described in (a) through (f).

"Eligible Funds Lender" means the Construction Lender and any other party that provides Eligible Funds for deposit in the Collateral Fund.

"Eligible Investments" means, to the extent authorized under State law, and subject to the provisions of the Indenture, any of the following obligations which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

(a) Government Obligations; and

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

"Event of Default" means any of the events described as an Event of Default in the Indenture.

"Expense Fund" means the Expense Fund created in the Indenture.

"Extension Payment" means the amount due, if any, in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and which, with respect to Bond Service Charges, shall be determined by a Cash Flow Projection.

"Extraordinary Issuer Fees and Expenses" means the expenses and disbursements payable to the Issuer under the Indenture or the other Financing Documents for Extraordinary Services and Extraordinary Expenses, including without limitation extraordinary fees, costs and expenses incurred by Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Bond Loan Agreement.

"Extraordinary Services" and "Extraordinary Expenses" mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Issuer under the Indenture or the other Financing Documents, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include but are not limited to services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

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

"Financing Documents" means the Indenture, the Bonds, the Bond Loan Agreement, the Bond Note, the Bond Mortgage, the Tax Agreement, the Land Use Restriction Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement, and any other instrument or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof.

"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 Bond Loan Agreement.

"GAAP" means generally accepted accounting principles applied on a consistent basis.

"Governing Body" means the Board of Directors of the Issuer, or any governing body that succeeds to the functions thereof.

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

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

"Highest Rating Category" means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below "Aa1" or "Aa1/VMIG 1" if rated by Moody's or "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 December 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, member or employee of the Borrower or any Affiliate of the Borrower and in the case of an entity, does not have a director, trustee, officer, partner, 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 Borrower Deposit" means the deposit of funds in the amount provided by the Borrower to the Trustee as described in the Indenture.

"Initial Interest Rate" means ___%.

"Initial Mandatory Tender Date" means July 1, 2028*.

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

"Interest Payment Date" means (a) January 1 and July 1 of each year beginning July 1, 2026*, (b) each Redemption Date and (c) each Mandatory Tender Date. In the case of payment of defaulted interest, "Interest Payment Date" also means the date of such payment established pursuant to the Indenture.

"Interest Period" means, initially, the period from the Closing Date to and including the last day preceding July 1, 2028*, and thereafter, the period commencing on each succeeding Interest Payment Date and ending on the last day preceding the next Interest Payment Date.

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

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

"Issuer" means the Alabama Housing Finance Authority, a public corporation and instrumentality of the State, and its successors and assigns.

"Issuer Documents" means the Financing Documents to which the Issuer is a party.

"Issuer Fees and Expenses" means, collectively, the Ordinary Issuer Fees and the Extraordinary Issuer Fees and Expenses.

"Land Use Restriction Agreement" means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of even date of the Indenture, by and among the Issuer, the Trustee and the Borrower, as amended or supplemented from time to time.

"Lender" means ServisFirst Bank, an Alabama banking corporation, in its capacity as Bond Loan lender, and includes its successors and assigns.

"Limited Partner" means Raymond James Tax Credit Fund XX L.L.C., a Florida limited liability company, and its successors and assigns.

"Local Time" means Central time (daylight or standard, as applicable) in Mobile, Alabama.

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

"Mandatory Tender Date" means the latest of (a) the Initial Mandatory Tender Date and (b) if the Bonds Outstanding on such date or on any subsequent Mandatory Tender Date are remarketed pursuant to the Indenture for 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 July 1, 2029*.

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* Preliminary; subject to change.

"Maximum Interest Rate" means the interest rate equal to the lesser of: (a) 12% per annum, or (b) the maximum interest rate per annum permitted by applicable State law.

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

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

"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, with experience in the matters to be covered in the opinion.

"Optional Call Date" means January 1, 2028*.

"Ordinary Issuer Fees" means the annual administrative fee of the Issuer payable on or before October 1 of each year so long as the Bonds or any portion thereof is outstanding (and notwithstanding the definition of "Bonds outstanding" in the Indenture, for purposes of the definition of "Ordinary Issuer Fees" in the Indenture, Bonds "outstanding" or "outstanding" Bonds shall include any Bond described in clauses (b) or (c) of the definition of "Bonds outstanding" in the Indenture, e.g., defeased Bonds shall be considered as outstanding for purposes of "Ordinary Issuer Fees"), in an amount equal to 1/8th of 1% of the principal amount of the Bonds outstanding on such date; such fee is payable in full on such date (in advance without proration or refund); in the event of prepayment of the Bond Loan with the result that the Bonds are redeemed in whole prior to the final maturity date of the Bonds (other than in connection with a refunding of which the Issuer acts as issuer and with respect to which the Borrower agrees to pay an administrative fee satisfactory to the Issuer), then the Borrower shall pay (on the date of redemption) to the Issuer, as a prepayment penalty, an amount equal to the present value (as a prepayment and at a discount rate of 6% per annum) of the Issuer's 1/8th of 1% annual administrative fee which otherwise would have been payable on October 1 of each year thereafter through the final maturity date of the Bonds; provided however, in any event, the Borrower shall pay an annual administrative fee to the Issuer of at least $1,000 (less any amounts otherwise required to be paid with respect thereto) payable in advance (without proration or refund) on each October 1 until the end of the Qualified Project Period (as defined in the Land Use Restriction Agreement); provided further, however, if no Bonds are outstanding (other than as a result of a refunding of which the Issuer acts as issuer and with respect to which the Borrower agrees to pay an administrative fee satisfactory to the Issuer), the Borrower also shall pay (on the date the Bonds are paid in full) to the Issuer, as a prepayment penalty, an amount equal to the present value (as a prepayment and at a discount rate of 6% per annum) of the Issuer's said $1,000 annual administrative fee through the end of the Qualified Project Period (as referred to in the immediately preceding clause) (less any amounts otherwise required to be paid with respect thereto), and in connection therewith, if the end of the Qualified Project Period cannot be determined because assistance is provided with respect to the Project under section 8 of the United States Housing Act, as amended, then said payment shall be calculated to reflect the portion of the Qualified Project Period ending on the date to be determined in clause (i) of the definition thereof (relating to the 15 year period), and if such section 8 project assistance exists when such date arrives, the Borrower shall resume paying the Issuer's $1,000 annual administrative fee through the end of the Qualified Project Period; further provided, however, that the Borrower shall not pay any amount described in this sentence which would cause the "yield" on the Bond Loan to be "materially higher" than the "yield" on the Bonds, within the meaning of Treasury Regulation Section 1.148-2(d) and the Borrower, and not the Issuer, is solely responsible for compliance with the foregoing provision and for the payment of all expenses associated therewith.

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

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* Preliminary; subject to change.

"Ordinary Trustee Fees and Expenses" means (i) an acceptance fee of $4,000 payable on the Closing Date and (ii) amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance on the Closing Date and on each annual anniversary date thereof until the Bonds have been redeemed in full in an amount equal to $4,000 per year; provided, however, the amount of Ordinary Trustee Fees and Expenses 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 Ordinary Trustee Fees and Expenses pursuant to the Bond Loan Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid as provided in the Indenture or directly by the Borrower pursuant to the Bond Loan Agreement.

"Organizational Documents" means the Amended and Restated Agreement of Limited Partnership of the Borrower, dated as of December __, 2025.

"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 Bond Loan Agreement.

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

"Project" means the approximate 56-unit residential rental housing project known as Providence Park Apartments located in Mobile, Alabama, including all real property, structures, buildings, fixtures or equipment included therein.

"Project Costs" means the costs of the Project specified in the Bond Loan Agreement.

"Project Fund" means the Project Fund created in the Indenture.

"Project Purposes" means the purchasing of a loan to finance the Project.

"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 generic rating categories of the Rating Agency for the specific type and duration of the applicable Eligible Investment.

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

"Rebate Analyst" means a certified public accountant, financial analyst or attorney, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and retained by the Borrower to make the computations and give the directions required pursuant to the Tax Agreement. 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 Agreement.

"Rebate Fund" means the Rebate Fund created in the Indenture.

"Redemption Date" means any date under the Indenture on which Bonds are to be redeemed including (a) the Maturity Date, (b) the date of acceleration of the Bonds and (c) upon an optional or mandatory redemption of the Bonds as described herein under "THE BONDS – Redemption of Bonds pursuant to the Indenture.

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

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

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

"Remarketing Agent's Fee" means the fee of the Remarketing Agent for its remarketing services.

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

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

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

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

"Reserved Rights" of the Issuer means (a) the right of the Issuer to amounts payable to it pursuant to the Bond Loan Agreement, (b) all rights which the Issuer or its 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 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 rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or of the Issuer, and set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower; (e) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and (f) all enforcement remedies with respect to the foregoing.

"Responsible Officer" means, when used with respect to the Trustee, any vice president, assistant vice president, or other officer of the Trustee within the corporate trust office specified in the definition of "Notice Address" (or any successor corporate trust office) having direct responsibility for the administration of the Indenture.

"Revenues" means (a) the Bond Loan Payments, (b) all other money received or to be received by the Trustee in respect of repayment of the Bond Loan, including without limitation, all money and investments in the Bond Fund, (c) any money and investments in the Special Funds, and (d) 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.

"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.

"Secretary" means the person serving as the Secretary of the Issuer, or in his absence, the acting or assistant secretary of the Issuer.

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

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

"State" means the State of Alabama.

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

"Tax Agreement" means the Tax Exemption Agreement and Non-Arbitrage Certificate dated the Closing Date among the Issuer, the Trustee and the Borrower, and all exhibits thereto, including without limitation, the Owner's Certificate as to Tax Matters appearing as an exhibit thereto.

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

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

"Trustee" means Synovus Bank, a Georgia state banking corporation, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, "Trustee" shall mean the successor Trustee.

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

“Underwriter” means Stifel, Nicolaus & Company, Incorporated.

“Vice Chairman” means the person serving as Vice Chairman of the Issuer.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

<u>Maturity and Interest</u>

The Bonds shall bear interest on the principal amount Outstanding from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or provided for, from their date of initial delivery, payable on each Interest Payment Date. The Bonds shall bear interest for each Interest Period at the Interest Rate all as more specifically set forth in the Indenture. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall mature on the Maturity Date, subject to prior redemption as set forth in the Indenture and subject to Mandatory Tender for purchase as set forth in the Indenture.

From the date of their initial delivery to but not including the Initial Mandatory Tender Date, the interest rate on the Bonds shall be the Initial Interest Rate. On the Initial Mandatory Tender Date, the Bonds shall be subject to Mandatory Tender pursuant to the terms of the Indenture. If insufficient funds are available to pay the purchase price on the Bonds following such Mandatory Tender on the Initial Mandatory Tender Date or any subsequent Mandatory Tender Date, the Bonds shall accrue interest at the Maximum Interest Rate until funds are available for payment of the purchase price, with interest being paid monthly on the first Business Day of each month.

<u>Creation of Funds</u>

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

(a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such Accounts as provided in the Indenture);

(b) the Bond Loan Acquisition Fund;

(c) the Project Fund;

(d) the Costs of Issuance Fund;

(e) the Collateral Fund;

(f) the Rebate Fund; and

(g) the Expense Fund.

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

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

Bond Fund

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

So long as there are any Outstanding Bonds, to the extent the Borrower has not received a credit against Bond Loan Payments, all Bond Loan Payments under the Bond Loan Agreement shall 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 interest and the principal due on the Bonds on such Bond Payment Date.

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

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

Bond Service Charges shall be payable, as they become due, in the case of principal (a) in the first instance from the money on deposit in the Bond Fund, (b) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (c) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

In the case of (a) an optional redemption of the Bonds pursuant to the Indenture and prepayment of the Bond Loan by the Borrower pursuant to the Bond Loan Agreement or (b) a mandatory redemption of the Bonds pursuant to the Indenture and prepayment of the Bond Loan by the Borrower pursuant to the Bond Loan Agreement, money on deposit in the Bond Fund, the Collateral Fund and the Project Fund shall be used to pay the redemption price of the applicable Bonds to be so redeemed in the manner provided above for the payment of Bond Service Charges and shall be credited to the prepayment of the Bond Loan to the extent so used.

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

Bond Loan Acquisition Fund; Project Fund

The principal proceeds from the sale of the Bonds shall be deposited in the Bond Loan Acquisition Fund. The deposit of the proceeds of the Bonds into the Bond Loan Acquisition Fund shall be deemed to result in the payment to the Lender of the acquisition price of the Bond Loan and to accomplish the funding of the Bond Loan. The principal proceeds from the sale of the Bonds deposited in the Bond Loan Acquisition Fund shall be transferred to the Project Fund.

Upon the deposit of Eligible Funds in the Collateral Fund as provided in the Indenture, the Trustee shall disburse the Bond proceeds on deposit in the Project Fund to, or at the written direction of, the Borrower and the applicable Eligible Funds Lender to pay Project Costs in accordance with the provisions of the Bond Loan Agreement described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT – Disbursements from the Project Fund." The Trustee shall disburse funds from the Project Fund in accordance with the provisions of the Bond Loan Agreement described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT – Disbursements from the Project Fund" on the same Business Day that it receives the deposit of Eligible Funds in the event (i) the Trustee receives the fully-signed and completed disbursement request prior to such Business Day and (ii) the Trustee receives the deposit of Eligible Funds with respect to such disbursement request prior to 10:30 AM Local Time on such Business Day. If the Trustee receives the Eligible Funds after 10:30 AM Local Time, the disbursement shall be made on the next succeeding Business Day. Notwithstanding any provisions to the contrary, upon satisfaction of the conditions set forth in the Bond Loan Agreement, the Trustee shall be unconditionally and irrevocably obligated to disburse funds from the Project Fund to or at the written direction of the Borrower and the applicable Eligible Funds Lender. The Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund; provided, however, to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee shall make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and (ii) in exchange therefor, transfer a like amount of Eligible Funds on deposit in the Collateral Fund to the Project Fund. In accordance with the provisions of the Bond Loan Agreement described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT – Disbursements from the Project Fund," and prior to making any disbursement (except to make necessary interest payments), the Trustee shall determine that the aggregate account balance in (a) the Collateral Fund and (b) the Project Fund is at least equal to the then-Outstanding principal amount of the Bonds. In the event the Trustee receives a deposit of Eligible Funds and is unable for any reason to disburse a corresponding amount of Bond proceeds from the Project Fund to or at the written direction of Borrower and the applicable Eligible Funds Lender, within the time frames set forth above, the Trustee shall promptly return such deposit to the party delivering such deposit rather than depositing same into the Collateral Fund.

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

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

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

Costs of Issuance Fund

Amounts on deposit in the Cost of Issuance Fund shall be used by the Trustee to pay costs of issuance as directed in writing by the Issuer. Any amounts remaining on deposit in the Costs of Issuance Fund 30 days after the Closing Date shall be returned to or at the direction of the Borrower.

Collateral Fund

The Trustee shall deposit in the Collateral Fund all deposits of Eligible Funds received pursuant to the provisions of the Bond Loan Agreement described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT – Eligible Funds" and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund. The Bond Loan Agreement requires deposits of Eligible Funds to be provided 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 Project Costs.

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

The Trustee shall transfer money in the Collateral Fund as follows: (i) on the Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent amounts on deposit in the

Remarketing Proceeds Account and the Bond Fund are insufficient therefor; and (ii) on any Redemption Date, to the Bond Fund the amount, together with amounts on deposit in the Bond Fund, necessary to pay the principal and interest due on the Bonds on such date.

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

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds and after payment of all fees, charges and expenses of the Trustee and the Issuer and of all other amounts required to be paid under the Indenture, the Bond Loan Agreement, the Tax Agreement, the Land Use Restriction Agreement, the Bond Mortgage and the Bond Note shall be transferred to the Project Fund and used to pay Project Costs as described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT - Disbursements from the Project Fund."

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

Expense Fund

The Trustee shall deposit the amount received from the Borrower on the Closing Date in accordance with the Indenture into the Expense Fund to provide money to pay the amounts required by the Indenture. The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, upon receipt of written instructions from the Borrower, in the following order of priority

(a) to transfer money to the Rebate Fund to the extent necessary to pay the Rebate Amount (if any) on any Mandatory Tender Date, the Maturity Date and any due date thereafter 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;

(d) to pay the Ordinary Issuer Fees when due;

(e) to pay the Issuer Fees and Expenses not previously paid; and

(f) to pay the Remarketing Expenses when due.

To the extent moneys in the Expense Fund are not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to the provisions of the Bond Loan Agreement described above under "Additional Payments" immediately upon written demand.

Investment of Special Funds and Rebate Fund

Except as otherwise set forth in this section, 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. 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 the Act or with Section 148 of the Code. Moneys in the Collateral Fund shall be invested at fair market value at a yield less than the yield on the Bonds.

To the extent that the Trustee has not received written directions from an Authorized Borrower Representative regarding any investment of moneys, the Trustee shall, until such written directions are received, invest such moneys in the investments described in clause (b) of the definition of Eligible Investments.

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 Service Charges on the Bonds as they become due on each Bond Payment Date. Each investment of money in the Project Fund shall mature or be redeemable at the 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. The Trustee shall sell or redeem investments credited to the Special Funds to produce sufficient money applicable under the Indenture to, and at times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount as set forth in the Cash Flow Projection, if any.

An investment made from money credited to the Special Funds shall constitute part of that Special 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 credited to a Special Fund shall be charged against that Special Fund. The Trustee shall not be liable for losses on investments made in compliance with the provisions of the Indenture. Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell, or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the initial deposit to the Negative Arbitrage Account pursuant to the Indenture shall be held uninvested until the Trustee has purchased, sold, or exchanged Eligible Investments with such proceeds or deposit. The Rebate Analyst shall consider any such sale or exchange in making the arbitrage and rebate calculations.

The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined by the Borrower at the time of purchase of such investments. The Trustee shall have no responsibility to determine or monitor the ratings of investments at the time of purchase of such investments or at any time thereafter. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. Although the Issuer and the Borrower each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Borrower agree that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

<u>Defaults; Events of Default</u>

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

(a) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable;

(b) Payment of the principal of any Bond shall not be made when and as that principal shall become due and payable, whether at stated maturity, upon acceleration or otherwise;

(c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Borrower, and the Limited Partner specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding of any such failure of which a Responsible Officer of the Trustee has actual knowledge; and

(d) The occurrence and continuance of an Event of Default as defined in the Bond Loan Agreement and described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT - Events of Default."

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

Acceleration

Upon the occurrence of an Event of Default described in (a) or (b) above, the Trustee may declare, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding the Trustee shall declare, by a notice in writing delivered to the Borrower and the Issuer, the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Upon the occurrence of any Event of Default other than those described in (a) or (b) above, the Trustee may, with the written consent of all Holders of Bonds then Outstanding, declare by a notice in writing delivered to the Borrower and the Issuer, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, that principal and interest shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Bonds Outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

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

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

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

The Limited Partner shall be entitled to cure any Event of Default under the Indenture within the time frame provided to the Borrower under the Indenture. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the 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 as described under the caption "Acceleration" above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Bond Loan Agreement, the Land Use Restriction Agreement or the Bond 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 in writing by the Holders of at least a majority in aggregate principal amount of Bonds Outstanding, 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. Subject to the provisions of the Indenture each remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or otherwise to the Trustee or to the Holders as of or after the date of the Indenture.

No delay in exercising or omitting 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 Lender and the Issuer in and to the Bond Loan Agreement (except for the Reserved Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Lender under the Bond 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, subject to the provisions of the first paragraph under this caption.

Right of Holders to Direct Proceedings

Anything to the contrary in the Indenture notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings 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

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

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

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

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

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

(c) If the principal of all of the Bonds shall have been declared to be due and payable as described above, 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 in accordance with the Indenture.

(d) Whenever money is to be applied pursuant to the provisions described under this caption, 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 thereof, or for the exercise of any other remedy thereunder, unless:

(a) there has occurred and is continuing an Event of Default under paragraph (a) or (b) of the section "Defaults; Events of Default" above or any other Event of Default of which the Trustee has been notified as provided under paragraph (f) of the section "Certain Rights and Obligations of the Trustee" above.

(b) the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Indenture, and

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

At the option of the Trustee, the foregoing 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 therein, 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 Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

Termination of Proceedings

In case the Trustee shall have proceeded to enforce any remedy, right or power under the Indenture in any suit, action or proceedings, and the suit, action or proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Issuer, the Trustee and the Holders shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies and powers of the Trustee shall continue as if no suit, action or proceedings had been taken.

Waivers of Events of Default

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

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

Supplemental Indentures Not Requiring Consent of Holders

Without the consent of, or notice to, any of the Holders, the Issuer and the Trustee may enter into indentures supplemental to the Indenture which shall not, in the opinion of the Issuer and the Trustee, be inconsistent with the terms and provisions thereof 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 Bond Loan Agreement and the Bonds;

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

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

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

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

(k) To make amendments to the provisions 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

(l) To permit any other amendment which is not to the prejudice of the Trustee or the Holders.

The provisions of clauses (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 described under this caption, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in the Indenture, and with the consent of the Borrower if required, the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in this caption shall permit, however, or be construed as permitting:

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

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

If the Issuer shall request that the Trustee execute and deliver any Supplemental Indenture for any of the purposes described under this caption, 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 described under this caption. The notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

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

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

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

Consent of Borrower

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

Release of Indenture

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

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

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

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

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

Payment and Discharge of Bonds

All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture, if:

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

(b) the Trustee shall have received (i) in trust for and irrevocably committed thereto, noncallable Government Obligations; (ii) certification by an Independent public accounting firm acceptable to the Trustee to the effect that the Government Obligations have such maturities or redemption dates and interest payment dates, and bear such interest, as will be sufficient together with any money to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided in the Indenture), for the payment of all Bond Service Charges on those Bonds at their maturity or on their redemption date, as the case may be; and (iii) in the case of clause (b), an Opinion of Bond Counsel to the effect that the receipt, use and investment of the Government Obligations will not adversely affect the Federal Tax Status of the Bonds.

Any money held by the Trustee in accordance with the provisions of the Indenture described under this caption may be invested by the Trustee at the written direction of an Authorized Borrower Representative 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 caption is verified by a revised certification described in (b)(ii) above to be in excess of the amount required to be held by the Trustee for the purposes described in this caption, that income, interest or increment shall be transferred at the time of that verification 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 the provisions of the Indenture described under this caption, 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 under this caption.

Survival of Certain Provisions

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

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT

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

The Bond Loan

The Lender agrees, upon the terms and conditions in the Bond Loan Agreement, to make the Bond Loan to the Borrower. The Issuer has agreed in the Indenture to use the proceeds derived from the sale of the Bonds to purchase the Bond Loan from the Lender. The Lender and the Borrower agree that the proceeds of the Bond Loan shall be applied pursuant to the Indenture to pay Project Costs. The Lender and the Borrower agree that the application by the Issuer and the Trustee of the Bond proceeds and other amounts received by the Trustee as described in the Indenture shall constitute payment to the Lender of the purchase price of the Bond Loan and shall result in the funding of the Bond Loan to the Borrower. The Borrower agrees that upon the application of the Bond proceeds and Bond Loan proceeds as provided in the Indenture, it will become indebted on and as of the Closing Date for the full principal amount of the Bond Loan. The Bond Loan shall be evidenced by the Bond Note.

Loans to Borrower

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

Subject to the terms and conditions of the Bond Loan Agreement and the Indenture, the Bank Lender will remit up to the amount set forth in the Bond Loan Agreement of Eligible Funds in the form of advances on the Bank Loan and the City Lender will remit up to the amount set forth in the Bond Loan Agreement of Eligible Funds in the form of advances on the City Loan to the Trustee for deposit into the Collateral Fund to enable the Trustee to disburse an equal amount of Bond proceeds from the Project Fund in connection with a completed and fully executed disbursement request in the form attached to the Bond Loan Agreement.

Disbursements from the Project Fund

Subject to the provisions below and the Tax Agreement, disbursements from the Project Fund shall be made only to pay any of the following (collectively, the "Project Costs"):

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

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.

(c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction period.

(d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

(e) Subject to the limitations set forth in the Tax Agreement, Costs of Issuance of the Bonds, including, financial, legal, accounting, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under the Indenture that may become due and payable during the construction period.

(f) Any other costs, expenses, fees and charges properly chargeable to the cost of acquisition, construction, installation and equipping of the Project.

(g) Payment of interest on the Bonds.

(h) Payments to the Rebate Fund.

Disbursements from the Project Fund for the payment of Project Costs shall be made by the Trustee only to, or at the direction of, the Eligible Funds Lender providing the deposit of Eligible Funds that constitute the basis for such disbursement from the Project Fund, upon satisfaction of all of the following conditions:

(i) The receipt by the Trustee of notice and instruction of a completed disbursement request (a "Disbursement Request") substantially in the form attached as an exhibit to the Bond Loan Agreement, signed by an Authorized Borrower Representative and approved by such Eligible Funds Lender, providing the amount of the disbursement request (a "Disbursement Amount") and the expected date of disbursement (a "Disbursement Date"); provided, however, notwithstanding any other provision to the contrary in the Bond Loan Agreement or the Indenture, if the deposit of Eligible Funds derive from a draw on a letter of credit, approval by the letter of credit bank shall not be a condition for a corresponding disbursement from the Project Fund.

(ii) Promptly upon receipt of a completed and fully-executed Disbursement Request, the Trustee will confirm (A) the Disbursement Amount, (B) that the account balance of the Collateral Fund plus the account balance of the Project Fund is at least equal to the then-outstanding principal amount of the Bonds and (C) whether the Trustee has actual knowledge that an Event of Default (as determined in accordance with the Indenture) or a Determination of Taxability has occurred. If an Event of Default or a Determination of Taxability has occurred to the knowledge of a Responsible Officer of the Trustee, the Trustee shall make no further disbursements from the Project Fund so long as such Event of Default or Determination of Taxability continues to exist except (Y) in connection with the acceleration of the Bonds or (Z) in connection with the redemption of the Bonds.

(iii) Upon confirmation by the Trustee of the matters described in clause (ii) above and on or before the expected Disbursement Date, the Trustee will accept the deposit of Eligible Funds equal to the Disbursement Amount.

(iv) Upon receipt by the Trustee of the deposit of Eligible Funds in an amount equal to the Disbursement Amount, such Eligible Funds shall be deposited in the Collateral Fund as provided in the Bond Loan Agreement. In the event that the amount of the Eligible Funds received by the Trustee does not equal the amount of the Disbursement Request, the Trustee shall promptly return such Eligible Funds to the party sending the same.

(v) Upon satisfaction of the conditions set forth in clauses (i) through (iv) above, the Trustee shall be obligated to disburse funds from the Project Fund in accordance with the Disbursement Request. The Trustee shall disburse funds from the Project Fund in accordance with the instructions contained in the Disbursement Request (A) on the same Business Day that it receives the deposit of Eligible Funds in the event the Trustee receives the deposit of Eligible Funds with respect to such Disbursement Request at or prior to 10:30 AM Local Time on such Business Day or (B) on the next succeeding Business Day if the Trustee receives the deposit of Eligible Funds after 10:30 AM Local Time. In the event the Trustee receives a deposit of Eligible Funds and is unable for any reason to disburse a corresponding amount of Bond proceeds from the Project Fund, within the time frames above, Trustee shall promptly return such payment to the party sending the same rather than depositing same into the Collateral Fund.

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.

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

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

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

Borrower Required to Pay Costs in Event Project Fund Insufficient

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

Completion Date

The Borrower shall notify the Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form attached to the Bond 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), (b), (d) and (e) of the Completion Certificate and an accountant's determination has been made that the representation regarding the use of the proceeds of the Bonds as described in the Bond Loan Agreement is true and correct.

Bond Loan Repayment; Delivery of Bond Note

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

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

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

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

Upon payment in full, in accordance with the Indenture, of the Bond Service Charges on any or all Bonds, whether at maturity or otherwise, or upon provision for the payment thereof having been made in accordance with the provisions of the Indenture, (a) the Bond Note shall be deemed fully paid, the obligations of the Borrower thereunder shall be terminated, and the Bond 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 Bond 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 Bond Loan Agreement or the Bond Note, all payments on the Bond Note shall be in the full amount required thereunder.

Eligible Funds

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 Bond Loan Payments, the Borrower shall direct the delivery to the Trustee on or before each such disbursement, of deposits of Eligible Funds equal to the amount of the proposed disbursement from the Project Fund. All such amounts 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. Upon receipt of a deposit of Eligible Funds and satisfaction of the other conditions set forth in the Bond Loan Agreement, the Trustee shall be obligated to disburse an equal amount of funds in the Project Fund as provided in the Bond Loan Agreement. In no event may funds held in the Collateral Fund be used to pay Project Costs.

Bond Fund and Collateral Fund

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

Additional Payments

The Borrower shall pay as Additional Payments under the Bond Loan Agreement the following:

(a) Costs of Issuance of the Bonds.

(b) All Extension Payments and other sums required under the Indenture in order to revise or extend the Mandatory Tender Date or remarket the Bonds, and the Borrower further agrees to execute any and all certificates required by the Issuer, the Trustee or the Remarketing Agent in order to effectuate such revision, extension or remarketing.

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

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

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

In the event the Borrower is in default under any provision of any of the Borrower Documents, the Borrower shall be liable to, and upon demand shall pay to, the Issuer, the Trustee and the Lender all reasonable fees and disbursements of such persons and their agents (including attorneys' fees, costs 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 Borrower Deposit into the Expense Fund and the Costs of Issuance 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 or the Expense Fund in accordance with the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable.

Upon the payment, prepayment, or incurrence of any such cost, expense, or liability described under this caption by any such party, the Additional Payments in respect thereof shall be payable upon written demand to the Borrower, which demand shall be accompanied by invoices or other appropriate documentation concerning the nature, amount and incurrence of such cost, expense or liability. If the Additional Payments payable as described under this caption 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.

The obligations of the Borrower described under this caption shall survive the termination of the Bond Loan Agreement and the payment and performance of all of the other obligations of the Borrower under the Bond Loan Agreement and under the other Borrower Documents.

Borrower's Obligations Upon Tender of Bonds

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

Option to Terminate

The Borrower shall have the option to cancel or terminate the Bond Loan Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee or the Issuer, or both, to meet all Bond Loan

Payments and Additional Payments due or to become due through the date on which the last of the Bonds is then scheduled to be retired or redeemed, or, with respect to Additional Payments to become due, provisions satisfactory to the Trustee and the Issuer are made for paying such amounts as they come due. Such option shall be exercised by the Authorized Borrower Representative, on behalf of the Borrower, giving the Issuer and the Trustee five days notice in writing of such cancellation or termination and such cancellation or termination shall become effective at the end of such notice period. The provisions of this Section shall not be deemed to permit a prepayment of the Bond Note other than in accordance with its terms.

Events of Default

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

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

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

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, in effect as of or after the date of the Bond Loan Agreement, 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 Bond Loan Agreement or any statement in any report, certificate, financial statement or other instrument furnished in connection with the Bond Loan Agreement or with the purchase of the Bonds shall at any time prove to have been false or misleading in any adverse material respect when made or given; and

(e) There shall occur an "Event of Default" (as defined in the Indenture) or an event of default beyond applicable notice and cure periods under the Land Use Restriction Agreement.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition of the Bond Loan Agreement which would give rise to an Event of Default under subparagraph (b) above, the Borrower shall not be deemed in default under subparagraph (b) 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:

(i) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority;

insurrections; civil disturbances; riots; epidemics; 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

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

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

Remedies on Default

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

(a) If acceleration of the principal amount of the Bonds has been declared pursuant to the Indenture, the Trustee shall declare all Bond Loan Payments to be due and payable together with any other amounts payable by the Borrower under the Bond Loan Agreement and the Bond 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 Bond Loan Agreement or any other Financing Document;

(c) The Issuer or the Trustee or any of their agents or representatives 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 existing at law or in equity as of or after the date of the Bond Loan Agreement to collect all amounts then due and thereafter to become due under the Bond Loan Agreement, the Land Use Restriction Agreement and the Bond Note or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

Notwithstanding the foregoing, neither the Issuer nor the Trustee shall be obligated to take any step which in its opinion will or might cause it to expend time or money or otherwise incur liability unless and until a satisfactory indemnity bond has been furnished to the Issuer or the Trustee at no cost or expense to the Issuer or the Trustee. Any amounts collected as Bond Loan Payments or applicable to Bond Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken under this caption 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 under this caption 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) under this caption 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 or shall require the Issuer or Trustee to repay any amounts received or collected with respect to such declaration or Event of Default prior to the effective date of such waiver or rescission.

No Remedy Exclusive

No remedy conferred upon or reserved to the Issuer or the Trustee by the Bond 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 Bond Loan Agreement, the Land Use Restriction Agreement or the Bond Note, or existing at law, in equity or by statute as of or after the date of the Bond Loan Agreement. 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 Bond 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 Bond Loan Agreement.

No Waiver

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

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT

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

The Issuer, the Borrower and the Trustee will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the "Land Use Restriction Agreement") in order to set forth certain terms and conditions relating to the acquisition, construction, installation and operation of the Project.

Definitions

As used herein:

"Lower-Income Tenants" means and includes individuals and families whose adjusted gross income (computed in the manner prescribed in Treasury Regulation 1.167(k)-3(b)(3) or any successor thereto) does not exceed 60% of the Median Gross Income for the Area, with adjustments made for family size in a manner consistent with determinations made under Section 8 of the United States Housing Act of 1937. With respect to Units occupied by students, the determination of whether such a Unit is occupied by Lower-Income Tenants shall be determined by the rules of Section 42(i)(3)(D) of the Code.

"Median Gross Income for the Area" means the median income for the area where the Project is located as determined by the Secretary of Housing and Urban Development under Section 8(f)(3) of the United States Housing Act of 1937, as amended, or if programs under Section 8(f) are terminated, median income determined under the method used by the Secretary prior to the termination.

"Qualified Project Period" means the period beginning on the later of the Issue Date or the first day on which ten percent (10%) of the Units in the Project are first occupied and ending on the latest of (i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the Units in the Project are first occupied (or after the Issue Date, if later), or (ii) the first day on which no tax-exempt obligation issued with respect to the Project is outstanding (for purposes of this definition of "Qualified Project Period," the definition of "outstanding" in the Indenture shall not apply), or (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937, as amended, terminates.

"Unit" means an individual residential unit contained within the Project.

All other capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Indenture and the Land Use Restriction Agreement.

Term of Agreement

The Land Use Restriction Agreement (including the restrictive covenants established in the Land Use Restriction Agreement) shall become effective upon the Closing Date and terminate upon the earlier of the (a) termination of the Occupancy Restrictions as provided in paragraph (a) "Occupancy Restrictions" below, or (b) an early termination pursuant to the provisions of paragraph (b) "Early Termination of Restrictions" below.

Term of Restrictions

(a) Occupancy Restrictions. The term of the Occupancy Restrictions set forth in the Land Use Restriction Agreement shall remain in effect during the Qualified Project Period. It is expressly agreed and understood that the provisions in the Land Use Restriction Agreement are intended to survive the payment and retirement of the Bonds and the termination of the financing documents relating thereto, if such payment, retirement or termination occurs prior to the end of the Qualified Project Period.

(b) Early Termination of Restrictions. The Land Use Restriction Agreement and the restrictions thereunder shall cease to apply to the Project in the event of involuntary noncompliance as a result of unforeseen events such as fire, seizure, requisition, foreclosure, transfer of title by a deed in lieu of foreclosure or other similar event, change in a federal law or an action of a federal agency after the date of issue that prevents the Issuer from enforcing the provisions of the Land Use Restriction Agreement, or condemnation or similar event but only if, within a reasonable period, either (i) the Bonds are retired or (ii) any insurance proceeds or condemnation awards or other amounts received as a consequence of such event are used to provide a development (a) which meets the requirements of Section 142(d) of the Code and Regulation Section 1.103-8(b) as amended, or any successor law or regulation; (b) with respect to which a regulatory agreement substantially similar to the Land Use Restriction Agreement is recorded; and (c) which meets the requirements of Section 148 of the Code; provided, however, that the provisions of the Land Use Restriction Agreement and the restrictions thereunder shall not cease to apply to the Project by reason of the aforementioned foreclosure, transfer of title by deed in lieu of foreclosure or other similar event if, at any time during that part of the Qualified Project Period subsequent to such event, the obligor on the Bond Note or a "related person", as defined in Regulation Section 1.103-10(e), obtains an ownership interest in the Project for tax purposes; provided further, however, that if the provisions of the Land Use Restriction Agreement cease to apply to the Project by reason of the aforementioned foreclosure, transfer of title by deed in lieu of foreclosure or other similar event, and the Bonds used to provide the Project then outstanding are retired within a reasonable period and the Project thereafter ceases to comply with Section 142(d) of the Code, the Borrower or any related person, as defined in Treasury Regulation Section 1.103-10(e), during the period in which the Occupancy Restrictions are or would be in effect, covenants and agrees not to obtain an ownership interest in the Project for federal tax purposes.

Project Restrictions

The Borrower has represented, warranted and covenanted that:

(a) The Project will be acquired, constructed, owned, managed and operated for the purpose of providing a qualified residential rental project, as such term is used in Section 142(d) of the Code. All of the Units (except for not more than one unit set aside for resident manager or other administrative use) will be available for rental during the Qualified Project Period on a continuous basis to members of the general public, and the Borrower will not give preference to any particular class or group in renting the Units in the Project, except to the extent that Units must be available for lease or rent to Lower-Income Tenants and in accordance with HUD Section 8 Program constraints and regulations.

(b) The Project will consist of a building or structure or several proximate buildings or structures that are located on a single tract of land or contiguous tracts of land that will be owned, for federal tax purposes, at all times by one person, has similarly constructed units and may include facilities functionally related and subordinate thereto. As used herein, "tract" means any parcel or parcels of land which are contiguous except for the interposition of a road, street, stream or similar property. Parcels shall be considered contiguous if their boundaries meet at one or more points.

(c) If a Unit within a building or structure is occupied by the Borrower, or any person who is related to the Borrower under the Code, the building or structure must include no fewer than four Units not occupied by the Borrower or such related person.

(d) All Units in the Project will contain complete living, sleeping, eating, cooking and sanitation facilities for a single person or family.

(e) None of the Units in the Project will at any time prior to the expiration of the Qualified Project Period be used on a transient basis, or used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, nursing home, sanitarium, rest home or as trailer parks and courts for use on a transient basis.

(f) Units to be occupied by Lower-Income Tenants shall be of comparable quality and offer a range of sizes and number of bedrooms comparable to those Units which are available to other tenants.

(g) Restrictions on use of proceeds:

(1) none of the proceeds of the Bond Loan or the Bonds (including investment earnings) shall be used to provide a golf course, a country club, a massage parlor, a tennis club, a skating facility, a racquet sports facility, a hot tub facility, a suntan facility or a racetrack;

(2) none of the proceeds of the Bond Loan or the Bonds (including investment earnings) shall be used to provide a facility the primary purpose of which is any of the following: retail food and beverage services, automobile sales or service; or the provision of recreation or entertainment;

(3) none of the proceeds of the Bond Loan or the Bonds (including investment earnings) shall be used to provide a health club facility, an airplane, a skybox or any other private luxury box, any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises; and

(4) less than twenty-five percent (25%) of the net proceeds of the Bond Loan or the Bonds shall be used directly or indirectly for the acquisition of land or any interest therein.

(h) All office space within the Project is located on the Real Estate described in an exhibit attached to the Land Use Restriction Agreement and on the premises of the Project and not more than a de minimis amount of the functions to be performed at such office is not directly related to the day-to-day operations at such facility. All of the Project will be used in connection with the provision of multi-family residential housing.

<u>Occupancy Restrictions</u>

The Issuer and the Borrower have elected the "40-60 test" of Section 142(d)(1) of the Code. The Borrower further represents, warrants and covenants that:

At least forty percent (40%) of the Units of the Project shall be occupied (or treated as occupied as provided in the Land Use Restriction Agreement) on a continuous basis by Lower-Income Tenants. The forty percent (40%) set-aside requirement applies to the total number of "available Units," which means, as described in Revenue Procedure 2004-39, Units in the Project that are actually occupied and Units in the Project that are unoccupied and have been leased at least once after becoming available for occupancy, provided that (a) in the case of an acquisition of an existing residential rental project, a residential unit that is unoccupied on the later of (i) the date the project is acquired or (ii) the issue date of the first bonds is not an available Unit and does not become an available Unit until it has been leased for the first time after such date, and (b) a residential Unit that is not available for occupancy due to renovations is not an available Unit and does not become an available Unit until it has been leased for the first time after the renovations are completed. The determination of whether an individual or family qualifies as a Lower-Income Tenant shall be made at the time the tenancy commences and annually thereafter as of each anniversary of the commencement date of the tenancy. Any Unit occupied by an individual or family who is a Lower-Income Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Lower-Income Tenant during his or her tenancy in such Unit even though such individual or family subsequently ceases to satisfy the applicable income limit. The preceding sentence shall cease to apply to any resident of the Project whose income as of the most recent annual determination exceeds 140% of the applicable income limit if after such determination, but before the next determination, any Unit of comparable or smaller size in the (i) same building (within the meaning of Section 42 of the Code) if the Project is allowed credits under said Section 42 or (ii) Project if the Project is not allowed credits under said Section 42, is occupied by a new resident whose income exceeds the applicable income limit for qualifying as a Lower-Income Tenant. Any Unit vacated by a Lower-Income Tenant shall be treated as being occupied by such prior Lower-Income Tenant until reoccupied, other than for a temporary period not to exceed thirty-one (31) days, at which time the character of the Unit shall be redetermined. If necessary, in order to comply with the Occupancy Restrictions, the next available Unit or Units in the Project shall be made available only to individuals or families qualifying as a Lower-Income Tenant.

As a condition to occupancy, any prospective Lower-Income Tenant shall sign and deliver to the Borrower an Eligibility Certificate in the form substantially of that attached to the Land Use Restriction Agreement as an exhibit or in such other form and manner (but only if the Borrower has delivered to the Issuer and the Trustee an opinion of nationally recognized bond counsel acceptable to the Issuer stating that the use of the form of Eligibility Certificate proposed in lieu of the form appearing as an exhibit to the Land Use Restriction Agreement will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes) as may be required or permitted by applicable rules, regulations or policies promulgated or proposed by the Department of the Treasury, the Internal Revenue Service or the Issuer with respect to obligations issued under Section 142(d) of the Code, in which the prospective Lower-Income Tenant certifies that he or she and his or her family qualify as a Lower-Income Tenant. Each prospective Lower-Income Tenant shall also agree to provide updated Eligibility Certificates to the Borrower on an annual basis on such dates as shall enable the Borrower to make the annual income determinations referred to in the immediately preceding paragraph. In addition, such individual shall provide whatever other information, documents or certifications are deemed necessary by the Issuer or the Trustee to substantiate the Eligibility Certificate. The form for the Eligibility Certificate shall be revised from time to time to reflect changes in the Median Gross Income for the Area and any related family size adjustments that are pertinent to the determination of whether particular individuals or families qualify as Lower-Income Tenants.

The form of lease to be used by the Borrower in renting any Unit in the Project to a Lower-Income Tenant shall provide for termination of the lease and consent by such person or family to immediate eviction for failure to qualify as a Lower-Income Tenant as a result of any material misrepresentation made by such person or family with respect to the Eligibility Certificate, or failure or refusal to supply the annual income certification required by Section 142(d)(3) of the Code.

Eligibility Certificates will be maintained on file at the Project with respect to each Lower-Income Tenant who resides in a Unit or resided therein during the immediately preceding calendar year, and the Borrower will, promptly upon request by the Issuer or Trustee, file a copy thereof with the requesting party.

Within 30 days of the end of each calendar quarter (or such other period as the Issuer may subsequently establish with the approval of nationally recognized bond counsel), the Borrower will submit to the Issuer an Occupancy Certificate in the form substantially of that attached to the Land Use Restriction Agreement as an exhibit (or in such other form as may be required by the Issuer from time to time), executed by the Borrower, stating, inter alia, the percentage of Units of the Project which were occupied by Lower-Income Tenants at all times during the preceding calendar quarter and identifying Lower-Income Tenants who commenced or terminated occupancy of the Project during such calendar quarter. On May 1 of each year, the Borrower shall submit to the Issuer a list of all Lower-Income Tenants and copies of the Eligibility Certificates from such Lower-Income Tenants.

The Borrower will make such annual certifications with respect to the Project as shall be needed to satisfy the requirements of Section 142(d)(7) of the Code.

Transfer Restrictions

In addition to any other requirement imposed by the Bond Mortgage, the Bond Loan Agreement, the Bond Note or the Land Use Restriction Agreement, the Borrower further represents, covenants and agrees not to (a) sell, transfer or otherwise dispose of the Project or (b) permit any transfer by any party owning fifty percent (50%) or more of the ownership interest in the Borrower's general partner, of such ownership interests, nor any other similarly significant change in the ownership interest, control or relative distribution thereof, of the Borrower's general partner by any other method or means including, but not limited to, increased capitalization, merger, corporate or other amendments, issuance of additional or new stock or classification of stock, or otherwise, in each case without obtaining the prior written consent of the Issuer, which consent shall be conditioned upon (i) receipt of evidence satisfactory to the Issuer that the Borrower's purchaser or transferee has assumed in writing the Borrower's duties and obligations under the Bond Loan, including, without limitation, the Bond Mortgage, the Loan Agreement, the Note, the Land Use Restriction Agreement or any other document to which the Borrower is party with respect to the Bond Loan, (ii) the Issuer's reasonable satisfaction that the proposed purchaser or transferee is capable (both financially and operationally) of performing such duties and obligations, (iii) payment of any transfer charges then imposed by the Issuer, and (iv) an opinion of nationally recognized bond counsel acceptable to the Issuer stating in effect that the proposed action, together with any other changes with respect to the Bonds made or to be made in connection with such action, will not adversely affect the exclusion from gross income of the interest on the Bonds for federal income tax purposes. It is thereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of the Land Use Restriction Agreement shall to the extent permitted by law 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 Land Use Restriction Agreement. Notwithstanding anything to the contrary contained in the Land Use Restriction Agreement, (y) expressly permitted under the Land Use Restriction Agreement, without obtaining the prior written consent of the Lender or the Issuer, is the transfer by the Limited Partner of limited partnership interests in the Borrower to any other entity which is an affiliate of the Limited Partner, and (z) the condition set forth in subsection (ii) above shall not apply to a removal and replacement of the General Partner by the Limited Partner, or by an entity that is controlled, directly or indirectly, by the same parent that controls the Limited Partner, as the result of the Limited Partner's exercise of its rights under the terms and conditions of the Organizational Documents, provided that the Borrower shall promptly notify the Issuer of any Transfer described in this sentence and provide such information as is necessary to update the Issuer's records of ownership with respect to the Borrower. Nothing contained in the Land Use Restriction Agreement shall affect any provision of the Bond Mortgage or any other Financing Document or Bond Loan Document which requires the Borrower to obtain the consent of any other person as a precondition to sale, transfer or other disposition of the Project.

Covenants to Run with the Land

The Borrower subjects the Project to the covenants, reservations and restrictions set forth in the Land Use Restriction Agreement. In the Land Use Restriction Agreement, the Issuer, the Trustee and the Borrower declare their express intent that the covenants, reservations and restrictions set forth therein shall be deemed covenants running with the land to the extent permitted by law and shall pass to and be binding upon the Borrower's successors in title to the Project during the term of the Land Use Restriction Agreement. Each and every contract, deed or other instrument executed after the date of the Land Use Restriction Agreement 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 or restrictions are set forth in such contract, deed or other instrument.

Enforcement

(a) The Borrower shall permit any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service at all reasonable times to inspect any books and records of the Borrower regarding the Project and with respect to the incomes of Lower-Income Tenants which pertain to compliance with the provisions of the Land Use Restriction Agreement, Section 142(d) of the Code, the Regulations or the Issuer's policies and procedures applicable to the Bonds.

(b) In addition to the information specifically requested in the Land Use Restriction Agreement, the Borrower shall submit any other information, documents or certifications requested by the Issuer or the Trustee that the Issuer or the Trustee deems reasonably necessary to substantiate the Borrower's continuing compliance with the provisions of the Land Use Restriction Agreement, Section 142(d) of the Code, the Regulations or the Issuer's policies and procedures applicable to the Bonds.

(c) The Issuer, the Borrower and the Trustee, in its capacity as such, each covenants that it will not knowingly take or permit any action to be taken that would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. Moreover, each covenants to take any lawful action (including amendment of the Land Use Restriction Agreement as may be necessary, in the opinion of nationally recognized bond counsel) to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury, the Internal Revenue Service or the Issuer from time to time pertaining to obligations issued under Section 142(d) of the Code and affecting the Project.

(d) The Borrower further covenants and agrees to inform the Issuer and the Trustee by written notice of any violation of the Borrower's obligations under the Land Use Restriction Agreement within five (5) days of first discovering any such violation. If any such violation is not corrected to the satisfaction of the Issuer and the Trustee within the period of time specified by the Issuer or the Trustee, which shall be at least thirty (30) days after the date any notice to the Borrower is mailed, or within such further time as the Issuer or the Trustee, or both of them, determine is necessary to correct the violation without loss of the exclusion from gross income of interest on the Bonds, not, in any event, to exceed any limitations set by applicable Regulations, then, without further notice, the Issuer or the Trustee may declare a default under the Land Use Restriction Agreement effective on the date of such declaration of default (which shall constitute an "Event of Default" under the Land Use Restriction Agreement) and, upon such default, the Issuer or the Trustee may, but shall not be obligated to, take any one or more of the following steps, at their option:

(i) by mandamus or other suit, action or proceeding at law or in equity, require the Borrower to perform its obligations and covenants in the Land Use Restriction Agreement, or enjoin the acts or things that may be unlawful or in violation of the rights of the Issuer or the Trustee thereunder;

(ii) have access to and inspect, examine and make copies of all the books and records of the Borrower pertaining to the Project; and

(iii) take whatever other action necessary or desirable to enforce the obligations, covenants and agreements of the Borrower thereunder.

The Trustee shall have the right, but not the obligation, in accordance with this subparagraph (d) and the provisions of the Indenture, to exercise any or all of the Issuer's rights or remedies under this subparagraph (d).

(e) The Borrower, the Issuer and the Trustee each acknowledge that the primary purpose for requiring compliance by the Borrower with the restrictions provided in the Land Use Restriction Agreement is to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds, and that the Trustee on behalf of the registered owners from time to time of the Bonds, who are declared to be third-party beneficiaries of the Land Use Restriction Agreement, shall be entitled, for any breach of the provisions in the Land Use Restriction Agreement, to all remedies both at law and in equity in the event of any default thereunder.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

$9,500,000*
Alabama Housing Finance Authority
Multi-Family Housing Revenue Bonds
(Providence Park Apartments Project), 2025 Series E

This Continuing Disclosure Agreement, dated as of December 1, 2025 (this "Continuing Disclosure Agreement"), is executed and delivered by Providence Park Apartments, Ltd., an Alabama limited partnership (the "Borrower"), and Synovus Bank, a Georgia state banking corporation, as dissemination agent (the "Dissemination Agent"), for the above-captioned bonds (the "Bonds"). The Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2025 (the "Indenture") between the Alabama Housing Finance Authority (the "Issuer") and Synovus Bank, a Georgia state banking corporation, as trustee (the "Trustee"). Pursuant to the Indenture and the Bond Loan Agreement, dated as of December 1, 2025, between ServisFirst Bank and the Borrower (the "Bond 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.

"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 Synovus Bank, a Georgia state banking corporation, 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 substantially the form attached as Exhibit B to this Continuing Disclosure Agreement.

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

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

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

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

Section 5. Reporting of Listed Events.

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

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulty;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulty;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(vii) Modifications to rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;

(xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;

(xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties; and

(xvii) The Project being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D or such other form as may be approved by the Dissemination Agent. Notice of the Project being place in service from the

Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C or such other form as may be approved by the Dissemination Agent.

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

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice by email. While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above without the Dissemination Agent's having received notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xvii) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

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

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

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

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

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

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

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

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrower will describe such amendment in the next Annual Report and will include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change will be given in the same manner as for a Listed Event under Section 5(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 Bond Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

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

Section 9. Reserved.

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

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

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

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

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

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

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

If to the Borrower:

Providence Park Apartments, Ltd.
One Southern Way
Mobile, AL 36619
Attention: Clarence M. Ball, Jr.
Email: cmball@ballhealth.com

With copies to:

Bradley Arant Boult Cummings LLP
One Federal Place
1819 5th Avenue N
Birmingham, AL 35203
Attention: Atkins Roberts
Email: aroberts@bradley.com

and

Raymond James Tax Credit Fund XX L.L.C.
c/o Raymond James Affordable Housing Investments, Inc.
880 Carillon Parkway
St. Petersburg, FL 33716
Attention: Steven J. Kropf, President
Email Address: Steve.Kropf@RaymondJames.com

and

Nixon Peabody LLP
Exchange Place
53 State Street
Boston, MA 02109
Attention: Nate Bernard, Esq.
Email: nbernard@nixonpeabody.com

If to the Dissemination Agent:

Synovus Bank
800 Shades Creek Parkway, 2nd Floor
Birmingham, AL 35209
Attention: Dean Matthews
Email: DeanMatthews@synovus.com

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

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.

[Signature pages to follow]

[Borrower's Signature Page to Continuing Disclosure Agreement]

PROVIDENCE PARK APARTMENTS, LTD.,
an Alabama limited partnership

By: Independent Living Investments-Providence Park, LLC,
an Alabama limited liability company,
its general partner

By: ______________________________
Clarence M. Ball, Jr.
Manager

[Counterpart Signature Page to Continuing Disclosure Agreement]

SYNOVUS BANK, as Dissemination Agent

By: ____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

$9,500,000*
Alabama Housing Finance Authority
Multi-Family Housing Revenue Bonds
(Providence Park Apartments Project), 2025 Series E

CUSIP: _____

Annual report for the period ending December 31, ______

THE PROJECT

Name of the Project:	Providence Park Apartments
Address:	_____, Mobile, AL _____
Number of Units:	56

INFORMATION ON THE BONDS

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

OPERATING HISTORY OF THE PROJECT

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

Financial Results for Fiscal Year Ending December 31, ______	
Revenues	
Operating Expenses[1]	
Net Operating Income	
Debt Service on the 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:	Alabama Housing Finance Authority
Name of Issue:	Multi-Family Housing Revenue Bonds (Providence Park Apartments Project), 2025 Series E
Name of Borrower:	Providence Park Apartments, Ltd.
CUSIP:	_____
Date of Issuance:	December __, 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 the Annual Report will be filed by _________ _______.

DATED:

SYNOVUS BANK, as Dissemination Agent

By: ____________________________________
Authorized Officer

cc: Borrower

EXHIBIT C

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF PROJECT PLACED IN SERVICE

Name of Issuer:	Alabama Housing Finance Authority
Name of Bond Issue:	Multi-Family Housing Revenue Bonds (Providence Park Apartments Project), 2025 Series E
Name of Borrower:	Providence Park Apartments, Ltd.
Name of Project:	Providence Park Apartments
Address of Project:	_____, Mobile, AL _____
Date of Issuance:	December __, 2025

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of December 1, 2025, between the above-referenced borrower (the "Borrower") and Synovus Bank, 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:

SYNOVUS BANK,
as Dissemination Agent

By: ____
Authorized Officer

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

$9,500,000*
Alabama Housing Finance Authority
Multi-Family Housing Revenue Bonds
(Providence Park Apartments Project), 2025 Series E

The undersigned hereby provides notice to Synovus Bank, a Georgia state banking corporation, as dissemination agent (the "Dissemination Agent") that the multifamily rental housing facility known as Providence Park Apartments (the "Project") has been placed in service in accordance with the Trust Indenture, dated as of December 1, 2025, between the Alabama Housing Finance Authority (the "Issuer") and Synovus Bank, a Georgia state banking corporation, as trustee (the "Trustee"), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

PROVIDENCE PARK APARTMENTS, LTD.,
an Alabama limited partnership

By: Independent Living Investments-Providence Park, LLC,
an Alabama limited liability company,
its general partner

By: ______________________________
Clarence M. Ball, Jr.
Manager

* Preliminary; subject to change.

ATTACHMENT

Certificate of Occupancy

APPENDIX F

PROPOSED FORM OF BOND COUNSEL OPINION

The form of the approving legal opinion of Maynard Nexsen PC, bond counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the bonds referred to herein and may vary from the form set forth below to reflect circumstances both factual and legal at the time of such delivery. Recirculation of the Official Statement shall create no implication that Maynard Nexsen PC has reviewed any of the matters set forth in such opinion subsequent to the date of such opinion.

December __, 2025

Alabama Housing Finance Authority
Montgomery, Alabama

Synovus Bank
Birmingham, Alabama

Ladies and Gentlemen:

We have acted as bond counsel to Alabama Housing Finance Authority (the "Issuer") in connection with the issuance by the Issuer of its $9,500,000* Multi-Family Housing Revenue Bonds (Providence Park Apartments Project), 2025 Series E (the "Bonds"). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion. Capitalized terms not otherwise defined herein have the meaning given to them in the Indenture (hereinafter defined) and, if not in the Indenture, in the Land Use Restriction Agreement (hereinafter defined).

The Bonds are issued pursuant to Act No. 80 585 enacted at the 1980 Regular Session of the Legislature of Alabama, as heretofore amended, codified as Chapter 1A of Title 24 of the Code of Alabama 1975 (the "Act"), a Trust Indenture dated as of December 1, 2025 (the "Indenture"), between the Issuer and Synovus Bank, as Trustee (the "Trustee"), and a resolution of the Issuer authorizing the issuance of the Bonds.

The Bonds are being issued for the purpose of financing the acquisition, construction, installation and equipping of a multi-family residential project (the "Project") known as Providence Park Apartments located in Mobile, Alabama, and owned by Providence Park Apartments, Ltd., an Alabama limited partnership (the "Owner"). Pursuant to the terms of an Origination and Sale Agreement dated as of December 1, 2025 (the "Origination Agreement") between the Issuer and ServisFirst Bank (the "Lender"), the proceeds from the sale of the Bonds will be applied to purchase a new mortgage loan (the "Bond Loan") being originated by the Lender pursuant to a Loan Agreement dated as of December 1, 2025 (the "Bond Loan Agreement") between the Lender and the Owner. Pursuant to the Origination Agreement, the Lender will sell and assign to the Issuer its rights in and to the promissory note (the "Bond Note") executed by the Owner in favor of the Lender and the Bond Loan Agreement. The Issuer will assign its rights in and to the Bond Loan Agreement, the Bond Note and other property constituting the Trust Estate (other than the Reserved Rights) to the Trustee. The Issuer also has entered into a Regulatory Agreement and Declaration of Restrictive Covenants dated as of December 1, 2025 with the Trustee and the Owner relating to the Project (the "Land Use Restriction Agreement").

We note that various legal issues are addressed in the opinions of Bradley Arant Boult Cummings LLP, counsel to the Owner, and Compton Jones Dresher LLP, counsel to the Lender, and we express no opinion with respect to those issues.

Regarding questions of fact material to our opinion, we have relied on certifications, representations and covenants of the Issuer, the Owner, the Lender and other parties contained in the documents underlying the issuance

* Preliminary; subject to change.

of the Bonds and the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

On the basis of the foregoing and subject to the assumptions, qualifications, limitations and exceptions stated herein, we are of the opinion that, under existing law:

1. The Issuer is validly existing as a public corporation under the laws of the State of Alabama with the corporate power to enter into and perform its obligations under the Indenture and the Land Use Restriction Agreement and to issue the Bonds.

2. The Indenture and the Land Use Restriction Agreement have been duly authorized, executed, and delivered by the Issuer and are valid and binding obligations of the Issuer enforceable against the Issuer. The Indenture creates a valid lien on the Trust Estate.

3. The Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable from the Trust Estate.

4. Interest on the Bonds (a) is excludable from gross income for federal income tax purposes, except for interest on the Bonds for any period during which the Bonds are held by a "substantial user" of a Project or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest on the Bonds may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth in this paragraph are subject to the condition that the Issuer and the Owner comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.

5. Interest on the Bonds is exempt from present income taxation by the State of Alabama.

The opinions expressed above are also subject to the following assumptions, qualifications, limitations and exceptions:

(i) The Bonds, the rights of the holders of the Bonds, the Indenture and the Land Use Restriction Agreement and the enforceability of all of the foregoing may be limited by provisions of the Federal Bankruptcy Code and any applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, sovereign immunity or other similar laws affecting creditors' rights and general principles of equity, including the exercise of judicial discretion in appropriate cases.

(ii) We express no opinion with respect to the enforceability of any provision of the Indenture or the Land Use Restriction Agreement relating to (a) waiver or severability, (b) the availability of "self-help" remedies, (c) rights granted to any party which are in contravention of, or which modify or waive, the right to receive notice or any other right prescribed by the Alabama Uniform Commercial Code, as adopted and in effect from time to time, or other applicable law, (d) perfection or priority of or title to the Trust Estate, or (e) indemnification, contribution, penalty, foreclosure, choice of law, waiver of jury trial, choice of forum or venue.

(iii) We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

(iv) Our opinions expressed herein are limited to the application of the laws of the State of Alabama and the federal laws of the United States of America, and do not extend to any laws of any other state or nation.

(v) This opinion is (a) limited to matters stated herein and no opinion may be inferred or implied beyond the matters expressly stated, (b) given for your use and benefit only and may not be relied upon by any other parties or in any other opinion of any other parties, including any counsel or accountant of any other parties, without our prior written consent, (c) given as of the date hereof and only with respect to the particular transaction described in this opinion and no other and (d) given with the express understanding that we have no obligation to advise you of changes in law or fact even though such changes may affect the opinions expressed herein.

Respectfully submitted,