PRELIMINARY OFFICIAL STATEMENT DATED MAY 1, 2026

NEW ISSUE – Book-Entry Only

RATING: Moody's "Aa1"
SEE "RATING" herein.

In the opinion of Bond Counsel, assuming compliance with certain covenants and based on certain representations, under existing law (i) interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Code, except with respect to interest on any Bond for any period during which it is held by a "substantial user" of the Project or a "related person" of such a "substantial user," as those terms are defined for purposes of Section 147(a) of the Code and (ii) interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.

$22,000,000*
ALAMO AREA HOUSING FINANCE CORPORATION
MULTIFAMILY HOUSING REVENUE NOTES
(KERRVILLE 3 APARTMENTS),
SERIES 2026

Dated: Date of Delivery
Initial Interest Rate: ____%*
Initial Offering Price: 100%

Mandatory Tender in connection with Conversion Date: no earlier than December 1, 2027*
Optional Call: December 1, 2027*
Initial Mandatory Tender Date: December 1, 2028*
Maturity Date: December 1, 2043*
CUSIP: _____

The Alamo Area Housing Finance Corporation (the "Issuer") is issuing its Multifamily Housing Revenue Notes (Kerrville 3 Apartments), Series 2026 (the "Notes") pursuant to a Trust Indenture dated as of May 1, 2026 (the "Indenture"), by and between the Issuer and BOKF, NA, as trustee (the "Trustee"). The Notes shall bear interest on the outstanding principal amount thereof at the Initial Interest Rate set forth above (the "Initial Interest Rate") from their date of issuance to but not including the Initial Mandatory Tender Date set forth above (the "Initial Mandatory Tender Date"), payable on each June 1 and December 1, commencing December 1, 2026*. See "THE NOTES" herein.

The Notes are being issued to finance a loan (the "Loan") to EC Kerrville 3, LLC, a Texas limited liability company (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, rehabilitating and equipping (i) an existing 72-unit multifamily rental housing project and related personal property and equipment located at approximately 2300 Junction Highway, Kerrville, Texas, and known as "The Meadows Apartments," (ii) an existing 76-unit multifamily residential housing project located at approximately 2350 Junction Highway, Kerrville, Texas, and known as "Heritage Oaks Apartments," and (iii) an existing 76-unit multifamily rental housing project located at approximately 401 Clearwater Paseo, Kerrville, Texas, and known as the "Paseo de Paz Apartments," which will contain approximately two hundred twenty-four (224) affordable rental housing units in the aggregate and which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses (collectively, the "Project"). The Loan will be made to the Borrower pursuant to a Loan Agreement, dated as of May 1, 2026 (the "Loan Agreement"), between the Issuer and the Borrower, under which the Borrower has agreed to provide, as described herein, payments to the Issuer in amounts sufficient to pay the principal of and interest on the Notes when due. The Loan will be evidenced by a Promissory Note in the principal amount of $22,000,000* (the "Note") from the Borrower to the Issuer and endorsed to the Trustee.

The Notes are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the earlier of the (i) Conversion Date or (ii) the Initial Mandatory Tender Date (each a "Mandatory Tender Date"). All Noteholders must tender their Notes for purchase on the Mandatory Tender Date. The Notes may be remarketed and a new interest rate for the Notes may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Notes are remarketed on the Initial Mandatory Tender Date, the terms of the Notes after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Notes 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 Notes are subject to mandatory tender prior to the Initial Mandatory Tender Date as set forth herein. See "THE NOTES" herein.

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

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, ANY OBLIGATION THAT THE ISSUER MAY INCUR UNDER THE INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION HEREWITH THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE PLEDGED SECURITY. THE NOTES SHALL CONSTITUTE A VALID CLAIM OF EACH HOLDER THEREOF AGAINST THE PLEDGED SECURITY, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE NOTES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE NOTES, TOGETHER WITH INTEREST THEREON, SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE PLEDGED SECURITY. THE PRINCIPAL OF, PREMIUM, IF ANY AND INTEREST ON THE NOTES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE PLEDGED SECURITY). THE NOTES ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE

* Preliminary, subject to change.

STATE, THE CITIES, THE COUNTIES, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE CITIES, THE COUNTIES, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE NOTES. THE ISSUER HAS NO TAXING POWER.

The Notes 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 Bracewell LLP, San Antonio, Texas, Bond Counsel, of certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrower by its counsel Maynard Nexsen PC, Birmingham, Alabama. It is expected that the Notes will be available in book-entry form through the facilities of DTC in Brooklyn, New York on or about May __, 2026.

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

STIFEL

Date: May __, 2026

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 Notes 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 Notes. 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 Notes 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 NOTES 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 Notes has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Notes have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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

CUSIP data herein are provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Notes. 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 Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions.

BOKF, NA, 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 Notes, or (iii) the tax-exempt status of the Notes.

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OFFICIAL STATEMENT

**$22,000,000*
Alamo Area Housing Finance Corporation
Multifamily Housing Revenue Notes
(Kerrville 3 Apartments),
Series 2026**

INTRODUCTION

This Official Statement (this "Official Statement") has been prepared in connection with the issuance of the above-captioned Notes (the "Notes") by the Alamo Area Housing Finance Corporation (the "Issuer"), a nonprofit housing finance corporation duly created, organized and existing under the laws of the State of Texas (the "State") and incorporated with the approval of the counties of Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson, Texas and the cities of New Braunfels and Seguin, Texas (collectively, the "Governments"). The Board of the Issuer has authorized the issuance of the Notes by its duly adopted Resolution dated March 25, 2026 (the "Resolution") and the Notes are issued pursuant to a Trust Indenture dated as of May 1, 2026 (the "Indenture"), by and between the Issuer and BOKF, NA, 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 Notes are to be issued pursuant to the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), for the purpose of providing funds to make a loan (the "Loan") to EC Kerrville 3, LLC, a Texas limited liability company (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, constructing and equipping (i) an existing 72-unit multifamily rental housing project and related personal property and equipment located at approximately 2300 Junction Highway, Kerrville, Texas, and known as "The Meadows Apartments," (ii) an existing 76-unit multifamily residential housing project located at approximately 2350 Junction Highway, Kerrville, Texas, and known as "Heritage Oaks Apartments," and (iii) an existing 76-unit multifamily rental housing project located at approximately 401 Clearwater Paseo, Kerrville, Texas, and known as the "Paseo de Paz Apartments," which will contain approximately two hundred twenty-four (224) affordable rental housing units in the aggregate and which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses (collectively, the "Project"). See "PRIVATE PARTICIPANTS" and "THE PROJECT" herein.

The Loan will be made to the Borrower under a Loan Agreement dated as of May 1, 2026 (the "Loan Agreement"), by and between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower has agreed to make payments to the Issuer in amounts sufficient to pay the principal of and interest on the Notes when due (the "Bond Service Charges") to the extent that amounts otherwise available for such payment are insufficient therefor. The Loan will be evidenced by a promissory note in the principal amount of $22,000,000* (the "Note") from the Borrower to the Issuer and endorsed to the Trustee.

The aggregate funds and Eligible Investments on deposit in the Project Fund and the Collateral Fund will, at all times, equal at least the principal amount of Notes Outstanding. Bond Service Charges will be paid from amounts on deposit in the Note Payment Fund, the Collateral Fund and the Project Fund, and investment earnings thereon. Amounts on deposit in the Collateral Fund, the Note Payment Fund and the Project Fund will be invested in Eligible Investments. See "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES" herein.

The Notes shall bear interest on the outstanding principal amount thereof at a rate equal to the Initial Interest Rate set forth on the cover page hereof from the date of delivery to, but not including, December 1, 2028* (the "Initial Mandatory Tender Date"), payable on each June 1 and December 1, commencing December 1, 2026* (each an "Interest Payment Date").

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* Preliminary, subject to change.

The Notes are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on or prior to the Initial Mandatory Tender Date, including on the Conversion Date. All Noteholders must tender their Notes for purchase on each Mandatory Tender Date, as set forth in the Indenture. A new interest rate for the Notes may be determined on the Initial Remarketing Date in accordance with the terms of the Indenture. If the Notes are remarketed on the Initial Mandatory Tender Date, the terms of the Notes after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Notes 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.

Subject to the satisfaction of certain conditions set forth in (i) the Freddie Mac Commitment dated May __, 2026, between PNC Bank, National Association, a national banking association (the "Freddie Mac Seller/Servicer") and the Federal Home Loan Mortgage Corporation ("Freddie Mac") and (ii) the Construction Phase Financing Agreement by and among PNC Bank, National Association, a national banking association (in its capacity as maker of the construction loan and equity bridge loan, the "Mortgage Lender"), the Freddie Mac Seller/Servicer, and Freddie Mac, Freddie Mac has agreed to facilitate the financing of the Project in the Permanent Phase as described in the Indenture.

Brief descriptions of the Issuer, the Borrower, the Mortgage Lender, the Mortgage Loan, the Project, the Notes, the security for the Notes, the Indenture, the Loan Agreement and the Tax Regulatory Agreement dated as of May 1, 2026, by and among the Issuer, the Trustee and the Borrower (the "Tax Regulatory Agreement") are included in this Official Statement. The summaries herein do not purport to be complete and are qualified in their entireties by reference to such documents, agreements and programs as may be referred to herein, and the summaries herein of the Notes are further qualified in their entireties by reference to the form of the Notes included in the Indenture and the provisions with respect thereto included in the aforesaid documents.

THE ISSUER

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

The Issuer is a public, nonprofit housing finance corporation organized and existing under the laws of the State of Texas (the "State") in accordance with the Act, to act on behalf of the counties of Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson, Texas and the cities of New Braunfels and Seguin, Texas (collectively, the "Governments") in carrying out the public purpose of the Act. Under the Act, the Issuer is authorized to issue its bonds for the purpose, among others, of providing funds for the acquisition, construction and equipping of residential developments such as the Project, all for the public purpose of assisting persons of low and moderate income to afford the costs of decent, safe and sanitary housing.

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, ANY OBLIGATION THAT THE ISSUER MAY INCUR UNDER THE INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION HEREWITH THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE PLEDGED SECURITY. THE NOTES SHALL CONSTITUTE A VALID CLAIM OF EACH HOLDER THEREOF AGAINST THE PLEDGED SECURITY, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE NOTES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE NOTES, TOGETHER WITH INTEREST THEREON, SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE PLEDGED SECURITY. THE PRINCIPAL OF, PREMIUM, IF ANY AND INTEREST ON THE NOTES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE PLEDGED SECURITY). THE NOTES ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE, THE CITIES, THE COUNTIES, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR

LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE CITIES, THE COUNTIES, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE NOTES. THE ISSUER HAS NO TAXING POWER.

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

THE MORTGAGE LOAN, DEPOSITS INTO THE COLLATERAL FUND AND DISBURSEMENT OF NOTE PROCEEDS

Contemporaneously with the issuance of the Notes, the Borrower will obtain a construction mortgage loan (the "Mortgage Loan") and an equity bridge loan (the "Bridge Loan") from the Mortgage Lender. Over time, Eligible Funds, including proceeds of the Mortgage Loan and Bridge Loan, are expected to be delivered to the Trustee for deposit into the Collateral Fund established by the Trustee under the Indenture. Upon the deposit of Eligible Funds into the Collateral Fund, and subject to the other applicable provisions set forth in the Indenture and the Loan Agreement, the Trustee shall disburse a like amount of Note proceeds from the Project Fund to or at the direction of the Mortgage Lender for purposes of paying costs of the Project, all in accordance with the Loan Agreement and the Indenture. The maximum aggregate amount of funds representing a portion of the proceeds of the Mortgage Loan and the Bridge Loan to be delivered to the Trustee for deposit into the Collateral Fund will be $22,000,000*.

Bond Service Charges shall be payable as they become due, (i) in the first instance from money on deposit in the Note Payment Fund (excluding the Negative Arbitrage Account therein), (ii) next from money on deposit in the Negative Arbitrage Account of the Note Payment Fund, (iii) next from money on deposit in the Collateral Fund and transferred as necessary to the Note Payment Fund and (iv) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Note Payment Fund. The Indenture provides that the amount of funds disbursed from the Project Fund on any given date for payment of Qualified Project Costs shall at all times equal the amount of Eligible Funds deposited into the Collateral Fund in connection with such disbursement. Accordingly, the aggregate amount in the Collateral Fund and the Project Fund shall at all times equal at least 100% of the principal amount of the Notes outstanding.

Notwithstanding any provision of the Loan Agreement or the Indenture to the contrary, the Trustee will not act upon the delivery of a certified copy of the request for disbursement of funds from the Project Fund, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited into 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 Notes. The Mortgage Lender will not deliver Eligible Funds to the Trustee for deposit into the Collateral Fund until the Trustee has first confirmed this calculation to the Mortgage Lender. Upon receipt of Eligible Funds, Trustee shall be unconditionally and irrevocably obligated to disburse Note proceeds in the amount of such installment of Eligible Funds to pay for Costs of the Project as set forth in the Indenture.

Amounts on deposit in the Project Fund, the Note Payment Fund and the Collateral Fund (together, the "Special Funds") will be invested on the Closing Date in Eligible Investments. See "SECURITY AND SOURCES OF PAYMENT FOR THE NOTES — Investment of Note Payment Fund, Project Fund and Collateral Fund; Eligible Investments" herein.

* Preliminary, subject to change.

THE NOTES

Terms of Notes Generally

The Notes shall be issued in Authorized Denominations and shall mature on December 1, 2043* (the "Maturity Date"). The Notes are dated as of the Closing Date and shall bear interest at the Initial Interest Rate from the Closing Date, to but not including the Initial Mandatory Tender Date, payable on each Interest Payment Date, commencing December 1, 2026*, and on each Mandatory Tender Date.

Interest on the Notes shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The principal of and interest on any of the Notes 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 Note shall be payable when due to a Holder upon presentation and surrender of such Note at the Designated Office of the Trustee or at the office, designated by the Trustee, of any Paying Agent and (b) interest on any Note 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 Note (or one or more Predecessor Notes) 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.

Mandatory Tender

All Outstanding Notes 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 Note 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, plus accrued interest, if any, to such Mandatory Tender Date, and shall be paid in full on the applicable Mandatory Tender Date. Notwithstanding the foregoing, if the Notice of Conversion has not been delivered establishing the Conversion Date and resulting Mandatory Tender Date, the Notes must be remarketed on such Mandatory Tender Date subject to meeting the requirements set forth below.

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

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

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

The Trustee shall utilize the following sources of payments to pay the tender price of the Notes not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Notes deposited into the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Notes tendered for purchase; (ii) on the Conversion Date, amounts on deposit in the Permanent Loan Purchase Fund, to pay the purchase price of Notes tendered for purchase in an amount equal to the Actual Project Loan Amount (iii) on any Mandatory Tender Date other than the Conversion Date, amounts on deposit in the Note Payment Fund, to pay the principal amount of Notes tendered for purchase; (iv) amounts on deposit in the Negative Arbitrage Account of the Note Payment Fund to pay the accrued interest; if any, on Notes tendered for purchase; (v) any available interest earnings on amounts on deposit in the Project Fund to pay the accrued interest, if any, on the Notes tendered for purchase and (vi) any other Eligible Funds available or made available for such purpose at the direction of the Borrower, with the consent of the Issuer.

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* Preliminary, subject to change.

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

With respect to any mandatory tender on the Conversion Date, at the written direction of the Borrower, the Trustee shall sell or redeem Eligible Investments on deposit in the Project Fund and Collateral Fund, transfer the proceeds thereof to the Note Payment Fund, and use such funds, along with any deposit of Eligible Funds from the Borrower as required pursuant to the paragraph below, to redeem Bonds in excess of the Actual Project Loan Amount at the mandatory redemption price thereof.

In the event of a mandatory tender prior to the Initial Mandatory Tender Date, the Borrower shall comply with the provisions of the Indenture described under the heading "Investment of Note Payment Fund, Project Fund and Collateral Fund" in "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE" hereto not less than two Business Days prior to the applicable Mandatory Tender Date.

Mandatory Tender Notice

Not fewer than thirty (30) days preceding a Mandatory Tender Date (or ten (10) days in connection with a Mandatory Tender Date that is the Conversion Date), the Trustee shall give written notice of mandatory tender to the Holders of the Notes then Outstanding (with a copy to the Borrower, the Equity Investor and the Remarketing Agent) by first class mail, postage prepaid (or, when the Notes are in Book-Entry Form, pursuant to the applicable procedures the Securities Depository), at their respective addresses appearing on the Register stating:

(i) the Mandatory Tender Date and that (a) all Outstanding Notes are subject to mandatory tender for purchase on the Mandatory Tender Date, (b) all Outstanding Notes 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 Notes;

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

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

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

In the event that any Note required to be delivered to the Trustee for payment of the purchase price of such Note shall not have been delivered to the Trustee on or before the twentieth (20^{th}) day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Note at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Note to the Trustee and stating that delivery of the Note to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Notes) must be accomplished as a condition to payment of the purchase price or redemption price applicable to the Note.

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

Notice delivered as required under the Indenture with respect to a mandatory tender pursuant to the Indenture may be rescinded and annulled on or before the tender date set forth in such notice if Conversion does not occur by the Conversion Date.

Mandatory Redemption

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

Optional Redemption

The Notes are subject to optional redemption prior to their maturity, at direction of the Borrower, either in whole or in part 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 equal to the principal amount of the Notes to be redeemed, plus accrued interest, but without premium, to the redemption date. Notes subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Note Payment Fund, other than funds in the Negative Arbitrage Account therein, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

If the Borrower intends to effect an optional redemption of the Notes, then, at least five (5) days prior to the latest date by which the Trustee must give notice of an optional redemption as set forth in this paragraph, the Borrower shall deliver to the Trustee written notice of such redemption. Unless waived by any Noteholder to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer by sending a copy of an official redemption notice by Electronic Means or by first class mail, postage prepaid, to the Noteholder to be redeemed, at the address of such Noteholder shown on the Register at the opening of business not less than ten (10) days prior to the date fixed for redemption. A second notice of redemption shall be given, as soon as practicable, by Electronic Means or by first class mail to the Noteholder which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within sixty (60) days following the date fixed for redemption of that Note.

Book-Entry Only System

The following information on the Book-Entry System applicable to all Notes has been supplied by DTC and none of the Issuer, the Borrower or the Underwriter make any representation, warranties or guarantees with respect to its accuracy or completeness.

The Depository Trust Company ("DTC"), Brooklyn, New York, will act as securities depository for the Notes. The Notes 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 Note certificate will be issued for each issue of the Notes, 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"). 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 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes 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 Notes 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 Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede &. Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent,

disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE NOTES

General

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

NOTWITHSTANDING ANY OTHER PROVISION OF THE INDENTURE TO THE CONTRARY, ANY OBLIGATION THAT THE ISSUER MAY INCUR UNDER THE INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION HEREWITH THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS PAYABLE SOLELY FROM THE PLEDGED SECURITY. THE NOTES SHALL CONSTITUTE A VALID CLAIM OF EACH HOLDER THEREOF AGAINST THE PLEDGED SECURITY, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE NOTES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE NOTES, TOGETHER WITH INTEREST THEREON, SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE PLEDGED SECURITY. THE PRINCIPAL OF, PREMIUM, IF ANY AND INTEREST ON THE NOTES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE PLEDGED SECURITY). THE NOTES ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE, THE CITIES,

THE COUNTIES, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, THE CITIES, THE COUNTIES, OR ANY OTHER MUNICIPALITY, COUNTY OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE AND EACH OF SUCH ENTITIES IS PROHIBITED BY THE ACT FROM MAKING ANY PAYMENTS WITH RESPECT TO THE NOTES. THE ISSUER HAS NO TAXING POWER.

Repayment of Loan

The Loan Agreement and the Note obligate the Borrower to cause to be paid to the Trustee amounts which shall be sufficient to pay Bond Service Charges coming due on each Interest Payment Date. At all times the Eligible Funds required to be deposited into the Collateral Fund and amounts on deposit in the Note Payment Fund and the Project Fund, if any, along with interest earnings thereon (without the need for reinvestment), will be sufficient to pay such Bond Service Charges and such amounts will be a credit against the Borrower's payment obligations under the Loan Agreement and the Note.

Investment of Note Payment Fund, Project Fund and Collateral Fund; Eligible Investments

On the Closing Date, all amounts on deposit in the Note Payment Fund and Collateral Fund will be invested in Eligible Investments. It is anticipated that all of the Note proceeds in the Project Fund will be disbursed to pay Project Costs on and after the Closing Date and that Bond Service Charges will be paid from amounts on deposit in the Note Payment Fund and Collateral Fund and any investment earnings thereon.

Additional Notes

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

PRIVATE PARTICIPANTS

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

The Borrower

The Borrower is EC Kerrville 3, LLC, a Texas limited liability company ("Borrower"), an entity formed for the specific purpose of developing and owning the Project. The managing member of the Borrower is OTM Kerrville 3, LLC, a Texas limited liability company (the "Managing Member"), which will own a 0.005% interest in the Borrower. PNC Bank, National Association, a national banking association (the "Investor Member"), will own a 99.98% interest in the Borrower. Columbia Housing SLP Corporation, an Oregon corporation, will own a 0.01% interest in the Borrower, as the "Special Member" or "SM" of the Borrower, and EC Kerrville 3 SLM, LLC, a Texas limited liability company (the "Class B Member", and together with the Managing Member, the Investor Member, and the Special Member, each a "Member", and collectively, the "Members"), will be the "Class B Member" of the Borrower and own a 0.005% interest in the Borrower.

The Investor Member

Contemporaneously with the issuance of the Notes, the Investor Member will acquire a 99.98% ownership interest in the Borrower. In connection with such acquisition, the Investor Member is expected to fund approximately $16,237,901* of federal low-income housing tax credit equity (the "Tax Credit Equity") to the Project, to be paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to

* Preliminary; subject to change.

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.

The Developer

The developer for the Project is Envolve Community Management, LLC, an Alabama limited liability company (the "Developer"). The Developer was started in 1995 and has over 20 years of experience in affordable housing development. The Developer and its affiliates have developed over 10,000 units in 13 states.

Limited Assets and Obligation of Borrower, Managing Member, Class B Member and Investor Member

The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the development and ownership of the Project. However, the partners and/or member(s) of the Managing Member, Class B Member, the Investor Member, and their respective affiliates, as applicable in each case, 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, members or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Loan Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its Members have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Notes. 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 Members are included in this Official Statement.

The Property Manager

The Borrower has entered into a management agreement with MacDonald Property Management, LLC, a Texas limited liability company (the "Property Manager"), to manage the day-to-day operations of the Project. The Property Manager is an affiliate of the Developer. The Property Manager has been involved in the management of affordable housing since 2015. The Property Manager currently manages 2,475 apartment units in Texas.

The General Contractor

The general contractor for the Project is Whitestone Construction Group, LLC (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based out of Orlando, Florida, the General Contractor was formed in 2015 and is a multi-state-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 9,000 units of affordable apartments.

The Architect

The architect for the Project is Dyke Nelson Architecture, LLC (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 27 years and has been the principal architect for 177 multifamily developments totaling 22,893 units.

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 is located in Kerrville, Texas, across three properties known as (i) Heritage Oaks, located at 2350 Junction Highway, Kerrville, Texas 78028, containing 76 apartment units across 20 buildings, (ii) The Meadows, located at 2300 Junction Highway, Kerrville, Texas 78028, containing 72 apartment units across 19 buildings, and (iii) Paseo de Paz, located at 401 Clearwater Paseo, Kerrville, Texas 78028, containing 76 apartment units across 13 buildings. Common area improvements will include general updates and renovations. Unit amenities will include: clubhouse, an exercise room, laundry rooms, swimming pools and playgrounds. There are 432 parking spaces for resident use only across the Project.

It is anticipated that construction and rehabilitation will commence on or about the timing of the funding of the initial installment of the Tax Credit Equity, Bridge Loan and Mortgage Loan funding, and will be completed in approximately 15 months.

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

Heritage Oaks		
Unit Type	**Square Feet**	**# of Units**
2 BR/2BA – 50% AMI	1,032	15
2 BR/2BA – 60% AMI	1,032	21
3 BR/2BA – 50% AMI	1,132	8
3 BR/2BA – 60% AMI	1,132	32
Totals		**76**

Meadows		
Unit Type	**Square Feet**	**# of Units**
1 BR/1BA – 50% AMI	814	5
1 BR/1BA – 60% AMI	814	31
2 BR/1BA – 50% AMI	1,072	3
2 BR/1BA – 60% AMI	1,072	33
Totals		**72**

Paseo de Paz		
Unit Type	**Square Feet**	**# of Units**
1 BR/1BA – 60% AMI	744	8
1 BR/1BA – 30% AMI	744	8
2 BR/2BA – 60% AMI	1,028	36
3 BR/2BA – 60% AMI	1,170	24
Totals		**76**

Plan of Financing

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

Sources of Funds:*	
Bond Proceeds[1]	$22,000,000
Tax Credit Equity	16,237,901
Subordinate Loans	11,500,000
Deferred Developer Fee	4,126,402
Reinvestment Earnings	1,540,000
NOI During Development	1,182,974
Total Sources	**$56,587,278**
Uses of Funds:*	
Acquisition Costs	$24,918,000
Improvements	12,229,879
Costs of Issuance	5,373,177
Developer Fee	5,932,530
Partial Redemption of Notes	4,730,000
Miscellaneous Expenses	3,403,692
Total Uses	**$56,587,278**

[1] Subject to the satisfaction of the Conditions to Conversion, the Notes may be subject to mandatory tender prior to the Initial Mandatory Tender Date with certain Eligible Funds, including the proceeds of a tax-exempt loan (the "Funding Loan") from the Freddie Mac Seller/Servicer. On such tender date, Notes so tendered may be redeemed in part in an amount sufficient to reduce the outstanding principal balance thereof to the Actual Project Loan Amount and shall be delivered in the form of a note evidencing the Funding Loan (the "Governmental Note") to the Freddie Mac Seller/Servicer, which Governmental Note, if issued, is expected to be sold to Freddie Mac.

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

The Mortgage Loan. The Project will utilize a construction loan in the principal amount of up to $18,010,000* (the "Mortgage Loan"). The Mortgage Loan will be secured by a senior mortgage on the Project and the obligation to repay the Mortgage Loan will be evidenced by a promissory note (the "Mortgage Note") from the Borrower to PNC Bank, National Association (in its capacity as maker of the Mortgage Loan, the "Mortgage Lender"). The Mortgage Note will have a term of 24 months, with the right to one six-month extension, and will bear interest at a rate equal to the Daily 1M SOFR* per annum, plus 335 basis points*, with no payments of principal during the term, and with all unpaid principal and interest due at maturity. The Mortgage Loan proceeds will be disbursed from time to time by the Mortgage Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to the Project.

The Low Income Housing Tax Credit Equity Proceeds. Contemporaneously with the issuance of the Notes, the Investor Member expects to acquire a 99.98% ownership interest in the Borrower. In connection with such acquisition, the funding of the Tax Credit Equity will total approximately up to $16,237,901*, with approximately up to $1,623,790* expected to be funded in connection with the issuance of the Notes. 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 Subordinate Loans. The Project will also utilize subordinate loans in the principal amount of up to $11,500,000* (collectively, the "Subordinate Loan"). The obligation to repay the Subordinate Loan will be set forth in three promissory notes (collectively, the "Subordinate Promissory Note") from the Borrower to (i) Kerrville

* Preliminary; subject to change.

Heritage Oaks Apartments, L.P., a Texas limited partnership, (ii) Kerrville Meadows Apartments, L.P., a Texas limited partnership, and (iii) Kerrville Clearwater Paseo Apartments, L.P., a Texas limited partnership (collectively, the "Subordinate Lender"), and the Subordinate Loan will be repayable on the terms and conditions set forth therein. The Subordinate Note will be secured by a subordinate mortgage against the Project subordinate to the Mortgage Loan. The Subordinate Note will have a term of up to approximately 32* years and will bear interest at a rate of 4.82%* per annum, with annual principal and interest not otherwise paid, due at maturity.

Deferred Developer Fee. The Project will utilize a deferred developer fee (the "Deferred Developer Fee") in the anticipated amount of $4,126,402* as a source of funding. The Deferred Developer Fee will be repaid through surplus cash flow received from the operation of the Project.

The Bridge Loan. The Project will also utilize an equity bridge loan in the principal amount of up to $10,467,000* (the "Bridge Loan"). The obligation to repay the Bridge Loan will be set forth in a promissory note (the "Bridge Note") from the Borrower to PNC Bank, National Association, a national banking association (in its capacity as maker of the Bridge Loan, the "Bridge Lender"). The Bridge Note will have a term of 60 months* and will bear interest at a rate equal to Daily1M SOFR* per annum, plus 285 basis points*, with annual principal and interest not otherwise paid, due at maturity.

Reinvestment Earnings. The Project will utilize reinvestment earnings (the "Reinvestment Earnings") in the anticipated amount of up to $1,540,000* as a source of funding. The Reinvestment Earnings will be generated through investments during the term of the Project.

Net Operating Income during Development. The Project will utilize net operating income generated during the development of the Project (the "Development NOI") in the anticipated amount of up to $1,182,974* as a source of funding. The Development NOI will be the operating income generated through operations, leases and rents from the Project during the course of development 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 Notes, the Borrower, the Trustee and the Issuer will enter into the Tax Regulatory Agreement. Under the Tax Regulatory Agreement, the Borrower will agree that, at all times during the qualified project period (as defined in the Tax Regulatory Agreement), the Borrower will rent at least 100 % 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 the applicable percentage of the area median income (adjusted for family size) ("AMI"). See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT" herein.

In addition to the rental restrictions imposed upon the Project by the Tax Regulatory Agreement, the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the federal low-income housing tax credits anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the "Tax Credit Units"). A designated portion of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than the applicable percentage of AMI adjusted for family size, as in accordance with the applicable Section 42 requirements. The rents which may be charged for occupancy of such units will be restricted to not more than 30% of the applicable AMI restriction, adjusted for family size.

* Preliminary; subject to change.

CERTAIN NOTEHOLDERS' RISKS

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

General

Payment of the Bond Service Charges, and the Borrower's obligations with respect to the Bond Service Charges, will be secured by and payable from Note proceeds held in the Project Fund, if any, and moneys deposited into the Collateral Fund and the Note Payment Fund, including the Negative Arbitrage Account held in the Note Payment Fund. Although the Borrower will execute the Note to evidence its obligation to repay the Loan, it is not expected that any revenues from the Project or other amounts, except moneys in the Note Payment Fund, Project Fund, if any, and Collateral Fund, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Project Fund and the Collateral Fund is at least equal to the then outstanding principal amount of the Notes. It is expected that all of the Note proceeds in the Project Fund will be disbursed to pay Project Costs on and after the Closing Date. At all times funds on deposit in the Collateral Fund and Negative Arbitrage Account of the Note Payment Fund, and the interest earnings thereon (without the need for reinvestment), will be sufficient to pay the debt service on the Notes.

Limited Security for Notes

The Notes are not secured by the Mortgage Loan or the Project. Investors should look exclusively to amounts on deposit in the Note Payment Fund, Project Fund, if any, and Collateral Fund under the Indenture and investment earnings on each as the source of payment of debt service on the Notes.

Future Determination of Taxability of the Notes

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

Issuer Limited Liability

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

Enforceability of Remedies upon an Event of Default

The remedies available to the Trustee and the owners of the Notes upon an Event of Default under the Indenture, the Loan Agreement, the Tax Regulatory Agreement or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Notes will be qualified to the extent that the enforceability of certain legal rights related to the Notes 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 Notes. The Remarketing Agent will not be obligated to repurchase any of the Notes, nor can any assurance be given that any secondary market

will develop following the completion of the offering of the Notes. Further, there can be no assurance that the initial offering prices for the Notes will continue for any period of time. Furthermore, the Notes 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 Notes 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 Notes.

Rating Based on Eligible Investments

The rating on the Notes is based on the amounts in the Project Fund, Note Payment 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 Notes.

Subordination to Mortgage Loan Documents

The Indenture, the Loan Agreement, the Note, and the Tax Regulatory Agreement contain provisions regarding subordination of such documents to the Mortgage Loan Documents. No assurance can be given that such provisions will not impair the excludability of interest on the Notes from gross income for federal income tax purposes.

Future Legislation; IRS Examination

The Project, its operation and the treatment of interest on the Notes 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 Notes, the Pledged Security, 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 notes. Currently, the primary penalty available to the IRS under the Code is a determination that interest on notes 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 Note 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 Notes. If the Notes are examined, it may have an adverse impact on their price and marketability.

Potential Impact of Pandemics or Public Health Crises

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

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Notes. 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

Tax Exemption

In General

In the opinion of Bond Counsel, assuming compliance with certain covenants and based on certain representations, under existing law (i) interest on the Notes is excludable from gross income for federal income tax purposes under Section 103 of the Code, except with respect to interest on any Note for any period during which it is held by a "substantial user" of the Project or a "related person" of such a "substantial user," as those terms are defined for purposes of Section 147(a) of the Code and (ii) interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax on individuals.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Notes, to be excludable from gross income for federal income tax purposes. These requirements include, among other things, limitations on the use of the bond-financed project, limitations on the use of bond proceeds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States, and a requirement that the Issuer file an information report with the IRS. The Issuer and the Borrower have covenanted in the Indenture, Loan Agreement, Tax Exemption Agreement and Tax Regulatory Agreement that they will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Indenture, Loan Agreement, Tax Exemption Agreement and Tax Regulatory Agreement pertaining to those sections of the Code that affect the excludability from gross income of interest on the Notes for federal income tax purposes and, in addition, will rely on representations by the Issuer and other parties involved with the issuance of the Notes with respect to matters solely within the knowledge of the Issuer, and such parties, which Bond Counsel has not independently verified. If the Issuer or the Borrower should fail to comply with the covenants in the Indenture, Loan Agreement, Tax Exemption Agreement and Tax Regulatory Agreement or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Notes could become includable in gross income for federal income from the date of original delivery of the Notes, regardless of the date on which the event causing such inclusion occurs.

Interest on the Notes is not treated as an "item of tax preference" to be included in the computation of "alternative minimum taxable income" for purposes of the alternative minimum tax on individuals.

Bond Counsel will express no opinion as to the amount or timing of interest on the Notes or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Notes. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Indenture, Loan Agreement, Tax Exemption Agreement or Tax Regulatory Agreement upon the advice or with the approving opinion of Bond Counsel. Bond Counsel will express no opinion with respect to Bond Counsel's ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest of the Notes from gross income for federal income tax purposes.

Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on Bond Counsel's knowledge of facts as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, Bond Counsel's opinions are not a guarantee of result and are not binding on the IRS; rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law and in reliance upon the representations and covenants referenced above that it deems relevant to such opinions. The IRS has an ongoing audit program to determine compliance with

rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the IRS will commence an audit of the Notes. If an audit is commenced, in accordance with its current published procedures the IRS is likely to treat the Issuer as the taxpayer and the Holders may not have a right to participate in such audit. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit regardless of the ultimate outcome of the audit.

Operation of the Project

In the case of bonds used to provide "qualified residential rental projects," such as the Notes, Section 142 of the Code requires that such bonds also satisfy the tenant eligibility requirements applicable to "qualified residential rental projects" under Section 142(d) of the Code. Section 142(d) of the Code requires that at all times during the "qualified project period" a certain percentage of the available units in the Project be occupied by individuals with income below certain levels pursuant to the Issuer's election made under Section 142(d)(1) of the Code. The "qualified project period" for the Project will commence on the first date on which 10% of the units in the Project are occupied and will end on the latest of the following: (1) the date that is 15 years after the date on which 50% of the units in the Project are occupied; (2) the first day on which no tax-exempt private activity bond issued with respect to the Project remains outstanding for federal income tax purposes; or (3) the date on which any assistance provided with respect to the Project under the Section 8 Program, terminates. Treasury Regulations (the "Regulations") setting forth requirements for compliance with a comparable provision of the predecessor of Section 142 of the Code require, among other things, that (1) the low-income set aside requirement must be met on a continuous basis during the "qualified project period", and (2) all of the units in the Project must be rented or available for rental to the general public on a continuous basis during such period. Under the Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Regulations, unless corrected within a reasonable period of not more than 60 days after such non-compliance is first discovered or would have been discovered by the exercise of reasonable diligence, will cause interest on the Notes to be includable in gross income for federal income tax purposes as of the date of their original issue, irrespective of the date such non-compliance actually occurred.

The Issuer has established requirements, procedures and safeguards that it believes to be sufficient to ensure compliance with the requirements of the Code and the Regulations with respect to the Project. Such requirements, procedures and safeguards are incorporated into the Tax Regulatory Agreement, the Loan Agreement, the Tax Exemption Agreement and the Indenture. In addition, the Issuer and the Trustee have each covenanted in the Tax Exemption Agreement to follow and enforce such procedures to ensure compliance with such requirements. However, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer and the Trustee can be judicially enforced in such manner as to assure compliance with the Code and therefore to prevent the loss of the excludability from gross income for federal income tax purposes of the interest on the Notes. Furthermore, if the Borrower fails to comply with the Tax Regulatory Agreement, the Tax Exemption Agreement or the Loan Agreement, the enforcement remedies available to the Issuer, the Trustee and the Holders are severely limited and may be inadequate to prevent the loss of the excludability from gross income for federal income tax purposes of the interest on the Notes retroactive to the date of issuance of the Notes. In such event, there is no provision for acceleration or redemption of the Notes, and the holders of the Notes may be required to hold the Notes until maturity bearing interest that is includable in gross income for federal income tax purposes.

Bond Counsel's opinions assume continuous compliance with all covenants and requirements set forth in the Tax Regulatory Agreement and the Tax Exemption Agreement pertaining to those sections of the Code that affect the excludability from gross income of interest on the Notes for federal income tax purposes.

Collateral Tax Consequences

Prospective purchasers of the Notes should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences, including but not limited those noted below. Therefore, prospective purchasers of the Notes should consult their own tax advisors as to the tax consequences of the acquisition, ownership and disposition of the Notes.

An "applicable corporation" (as defined in Section 59(k) of the Code) may be subject to a 15% alternative minimum tax imposed under Section 55 of the Code on its "adjusted financial statement income" (as defined in Section 56A of the Code) for such taxable year. Because interest on tax-exempt obligations, such as the Notes, is included in a corporation's "adjusted financial statement income," ownership of the Notes could subject certain corporations to alternative minimum tax consequences.

Ownership of tax-exempt obligations also may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the new "branch profit tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Notes. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

Prospective purchasers of the Notes should also be aware that, under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on Notes, received or accrued during the year.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Notes from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value and liquidity of the Notes. Prospective purchasers of the Notes should consult with their own tax advisors with respect to any proposed, pending or future legislation.

UNDERWRITING

Pursuant and subject to the terms and conditions set forth in the Note Purchase Agreement (the "Note Purchase Agreement"), among Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the Issuer and the Borrower, the Underwriter has agreed to purchase the Notes 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 Notes[, 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 Notes, if any are purchased. Pursuant to the Note 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 Notes 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 Notes to other dealers at prices lower than those offered to the public.

The Underwriter does not guarantee a secondary market for the Notes and is not obligated to make any such market in the Notes. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell Notes 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 Notes.

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 Notes on the Initial Mandatory Tender Date; conflicts of interest could arise.

RATING

Moody's Investors Service, Inc., a Delaware corporation (the "Rating Agency"), has assigned to the Notes the rating set forth on the cover page hereof. The rating reflects only the view of the Rating Agency at the time the rating was issued and an explanation of the significance of such rating may be obtained from the Rating Agency. The rating is not a recommendation to buy, sell or hold the Notes. 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 Notes.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

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

A failure by the Borrower to comply with the Continuing Disclosure Agreement will not constitute an Event of Default under the Loan Agreement. 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 Notes in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Notes and their market price and the ability of the Issuer to issue and sell notes and bonds in the future.

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

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Notes will be subject to an approving opinion of Bracewell LLP, San Antonio, Texas, Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel, Maynard Nexsen PC, Birmingham, Alabama, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Notes as described herein.

ABSENCE OF LITIGATION

The Issuer

There is no proceeding or litigation of any nature now pending or threatened against the Issuer restraining or enjoining the issuance, sale, execution or delivery of the Notes, or in any way contesting or affecting the validity of the Notes, any proceedings of the Issuer taken with respect to the issuance or sale thereof, the Issuer Documents, the pledge or application of any money or security provided for the payment of the Notes, the existence or powers of the Issuer relating to the Notes or the title of any officers of the Issuer to their respective positions.

The Borrower

There is no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or any member of the Borrower, in their respective capacities as such, nor, to the knowledge of the Borrower, any basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Notes, the use of this Official Statement in the marketing of the Notes or the collection of revenues pledged under or pursuant to the Indenture or (ii) which would in any way contest or affect the organization or existence of the Borrower or the entitlement of any officer of the Borrower to its position or (iii) which would contest or have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by this Official Statement, (B) the validity or enforceability of the Notes or any other agreement or instrument to which the Borrower is a party and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, (C) the exclusion from gross income for federal income tax purposes of the interest on the Notes or (D) the financial condition or operations of the Borrower, (iv) which contests in any way the completeness or accuracy of this Official Statement or (v) which questions the power or authority of the Borrower to carry out the transactions on its part contemplated by this Official Statement, or the power of the Borrower to own or operate the Project. The Borrower is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

ADDITIONAL INFORMATION

The summaries and explanation of, or references to, the Act, the Indenture and the Notes 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 Notes 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 Notes and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer and the owners of any of the Notes.

[Signature page to follow]

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

EC KERRVILLE 3, LLC,
a Texas limited liability company

By: EC Kerrville 3 SLM, LLC,
a Texas limited liability company,
its Authorized Signatory

By: LRC GP, LLC,
a Delaware limited liability company,
its Sole Member

By: Envolve Communities, LLC,
a Delaware limited liability company,
its Sole Member

By: _____
Ty Tyson
Authorized Person

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

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

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

"***Actual Project Loan Amount***" has the meaning set forth in the Construction Phase Financing Agreement.

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

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

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

"***Bond Counsel***" means Bracewell LLP, or other counsel selected by the Issuer and nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes.

"***Bond Service Charges***" means, pursuant to the Loan Agreement, payments made by the Borrower to the Issuer in amount sufficient to pay the principal of and interest on the Notes when due to the extent that amounts otherwise available for such payment are insufficient therefor.

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

"***Borrower***" means EC Kerrville 3, LLC, a limited liability company organized and existing under the laws of the State of Texas, and its successors and assigns.

"***Borrower Documents***" means the Loan Agreement, the Borrower Note, the Tax Exemption Agreement, the Tax Regulatory Agreement, the Note Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Loan Agreement, but excluding the Mortgage Loan Documents.

"***Borrower Note***" means the Promissory Note dated the Closing Date from the Borrower to the Issuer in substantially the form attached as an exhibit to the Loan Agreement, and any amendments, supplements or modifications thereto, which Note has been assigned by the Issuer to the Trustee.

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

"***Borrower's Obligations***" means the obligations of the Borrower under the Loan Agreement, the Borrower Note, and the other Borrower Documents to (a) pay the principal of, and interest on the Borrower Note, when and as

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

"*Bridge Lender*" means PNC Bank, National Association, a national banking association, in its capacity as maker of the Bridge Loan, and its successors and/or assigns.

"*Bridge Loan*" means the equity bridge loan in the principal amount not to exceed $10,467,000* from the Bridge Lender to the Borrower.

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

"***Cash 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 Notes, designated by, and provided by or on behalf of, 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 the interest and principal on the Notes, 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 Notes, (ii) an Extension Payment, (iii) a proposed remarketing of the Notes, as provided in the Indenture, or an optional redemption of the Notes, as provided in the Indenture, (iv) a release of Eligible Funds from the Negative Arbitrage Account as provided in the Indenture, (v) the purchase, sale or exchange of Eligible Investments as provided in the Indenture or (vi) the sale or other disposition by the Trustee of Eligible Investments prior to maturity at a price below par, as described in the Indenture. The cost and expense of obtaining any Cash Flow Projection shall be the sole responsibility of the Borrower. The Trustee shall be entitled to assume any Cash Flow Projection delivered to it is satisfactory to the Rating Agent and shall not be obligated to seek approval from the Rating Agency of such Cash Flow Projection.

"***Certificate of Occupancy***" means the temporary or final certificate of occupancy, as the case may be, issued by the applicable Governmental Authority for the multifamily units in the Project, or if certificates of occupancy are not required or provided for multifamily units, then evidence of all final inspection approvals needed to occupy the multifamily units.

"***Cities***" means the cities of New Braunfels and Seguin, Texas.

"***Class B Member***" means EC Kerrville 3 SLM, LLC, a Texas limited liability company.

"***Closing Date***" means the date of initial delivery of the Notes in exchange for the purchase price thereof.

"***Code***" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"***Collateral Fund***" means the Collateral Fund established pursuant to the Indenture.

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* Preliminary, subject to change.

"***Collateral Payments***" means Eligible Funds paid by or on behalf of the Borrower in respect to the repayment of the Loan, to the Trustee for deposit into the Collateral Fund pursuant to the Loan Agreement and the Indenture as a prerequisite to the disbursement of money held in the Project Fund; provided that, such amounts shall not include proceeds of the Notes.

"***Completion Certificate***" means a certificate submitted by the Borrower Representative to the Issuer and the Trustee as provided in the Loan Agreement, a form of which is attached to the Loan Agreement as an exhibit.

"***Completion Date***" means the date upon which the Completion Certificate and the Certificate of Occupancy are delivered by the Borrower to the Issuer and the Trustee.

"***Comptroller***" means the Comptroller of Public Accounts of the State of Texas.

*"**Conditions to Conversion**"* shall have the meaning set forth for such term in the Construction Phase Financing Agreement.

"***Construction Draw Schedule***" means the schedule of the disbursement of the proceeds of the Notes as provided in an appendix attached to the Loan Agreement, as the same may be amended from time to time with the consent of the Issuer.

"***Construction Phase***" means the construction phase of the Loan, which time period shall commence on the Closing Date and remain in effect to, but not including, the Conversion Date.

"***Construction Phase Financing Agreement***" means the Construction Phase Financing Agreement dated the Closing Date, by and among Freddie Mac, the Mortgage Lender and the Freddie Mac Seller/Servicer, and acknowledged and agreed to by the Borrower, as the same may be amended, modified or supplemented from time to time.

"***Continuing Disclosure Agreement***" means the Continuing Disclosure Agreement dated as of May 1, 2026, between the Borrower and the Dissemination Agent, as the same may be amended, restated, supplemented or modified from time to time.

"***Conversion***" means the conversion of the Loan from the Construction Phase to the Permanent Phase on the Conversion Date.

"***Conversion Date***" means the date the Freddie Mac Seller/Servicer purchases the Governmental Note upon the satisfaction of the Conditions to Conversion, as such Conversion Date is specified by the Freddie Mac Seller/Servicer in the Notice of Conversion; provided, however, the Conversion Date shall occur under the Indenture no earlier than December 1, 2027*.

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

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

"***Costs of Issuance Fund***" means the Costs of Issuance Fund established pursuant to the Indenture.

"***Counties*****"** means the counties of Atascosa, Bandera, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson, Texas.

"***Default***" means any Default under the Loan Agreement as specified in and defined by the Indenture.

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* Preliminary, subject to change.

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

"***Dissemination Agent***" means, initially BOKF, NA, or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

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

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

(b) moneys drawn on a letter of credit;

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

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

(e) any other amounts, including the proceeds of any refunding notes or bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Notes 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 Notes 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 recoverable from Holders of Notes under Section 550 of the Bankruptcy Code as avoidable preferential payments of the Borrower under Section 547 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;

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

(g) proceeds of Freddie Mac Seller/Servicer Purchase Price received from the Freddie Mac Seller/Servicer in connection with the purchase of the Governmental Note on the Conversion Date; and

(h) money received by the Trustee in connection with the recycling of volume cap as described in the Indenture; and

(i) investment income derived from the investment of the money described in (a) through (h), above.

"***Eligible Investments***" means, subject to the provisions of the Indenture, any of the following investments that mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture, to the extent the same are at the time legal for investment of the Issuer's funds (written direction of the Issuer to invest funds shall be conclusive evidence that the directed investment is at the time a legal investment of the Issuer's funds):

(a) Governmental Obligations; and

(b) To the extent permitted in the Indenture, shares or units in any money market mutual fund (i) which is then rated "Aaa-mf" by Moody's (or if no fund is available at that Rating Category, the Highest

Rating Category then available for that category of fund by Moody's, or if Moody's is not the Rating Agency or a new rating scale is implemented, the equivalent Rating Category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

"***Equity Investor***" means, together, PNC Bank, National Association, a national banking association, and Columbia Housing SLP Corporation, an Oregon corporation, in their capacity as investor members in the Borrower, and their permitted successors and assigns.

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

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

"***Favorable Opinion of Bond Counsel***" means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that, under existing law, such action or omission does not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Notes (subject to the inclusion of any exceptions contained in the opinion of Bond Counsel delivered upon the original issuance of the Notes or other customary exceptions acceptable to the recipient(s) thereof).

"***Federal Tax Status***" means, as to the Notes, the status of the interest on the Notes as excludable from gross income for federal income tax purposes (except on any Note for any period during which it is held by a "substantial user" of the Project or by a "related person" of such a substantial user, each within the meaning of Section 147(a) of the Code).

"***Forward Commitment Maturity Date***" means December 1, 2028*, as such date may be extended by Freddie Mac as provided in the Construction Phase Financing Agreement.

"***Freddie Mac***" means the Federal Home Loan Mortgage Corporation, a shareholder-owned government-sponsored enterprise organized and existing under the laws of the United States of America, and its successors and assigns.

"***Freddie Mac Commitment***" means the commitment from Freddie Mac to the Freddie Mac Seller/Servicer pursuant to which Freddie Mac has agreed to purchase the Governmental Note following the Conversion Date, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

"***Freddie Mac Seller/Servicer***" means PNC Bank, National Association, a national banking association, as Freddie Mac's seller/servicer under the Freddie Mac Commitment, or any of its successors or assigns under the Freddie Mac Commitment.

"***Freddie Mac Seller/Servicer Purchase Price***" means an amount equal to the Actual Project Loan Amount to be funded by the Freddie Mac Seller/Servicer on the Conversion Date.

* Preliminary; subject to change.

"***Funding Agreement***" means the Construction Loan, Bridge Loan and Security Agreement dated on or about the Closing Date, by and between the Borrower and the Mortgage Lender, as such may be amended, supplemented or restated from time to time.

"***Funding Loan Agreement***" means the Funding Loan Agreement attached as an exhibit to the Indenture, which Funding Loan Agreement shall be executed, delivered and become effective on the Conversion Date.

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

"***Governmental Note***" means the Governmental Note attached as an exhibit to the Funding Loan Agreement, which Governmental Note shall be executed, delivered and become effective on the Conversion Date.

"***Governmental Obligations***" means (a) 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 (b) 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 and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) 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.

"***Indenture***" means the Trust Indenture, dated as of May 1, 2026, by and between the Issuer and the Trustee, and any and all Supplements thereto, authorizing the issuance of the Notes.

"***Independent***" means any person not an employee or officer of the Borrower or its affiliates.

"***Initial Deposit***" means Eligible Funds in the amount set forth in the Indenture, to be deposited into the Negative Arbitrage Account of the Note Payment Fund pursuant to the Indenture.

"***Initial Interest Rate***" means ____%.

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

"***Initial Note***" means the initial Note registered by the Comptroller and subsequently canceled and replaced by a definitive Note pursuant to the Indenture.

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

"***Interest Payment Date***" means (a) June 1 and December 1 of each year, beginning December 1, 2026*, and (b) each Mandatory Tender Date.

"***Interest Rate***" means the Initial Interest Rate to but not including the Initial Mandatory Tender Date, as applicable, and thereafter the applicable Remarketing Rate; provided, however, commencing on the Conversion Date the Interest Rate shall be as set forth in the Funding Loan Agreement.

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* Preliminary, subject to change.

"***Issuer***" means the Alamo Area Housing Finance Corporation, a nonprofit housing finance corporation duly created, organized and existing under the laws of the State, including the Act, or any successor to its rights and obligations under the Loan Agreement and the Indenture.

"***Issuer Documents***" means the Loan Agreement, the Indenture, the Tax Regulatory Agreement, the Note Purchase Agreement, the Tax Exemption Agreement and any and all documents, agreements or instruments executed by the Issuer in connection with the Loan.

"***Issuer Fee***" means the annual administrative fee payable annually in advance to the Issuer on each January 1, equal to $50 per unit in the Project, payable by the Borrower under the Loan Agreement. On the Closing Date, the Borrower will pay (i) a closing fee equal to 1.0% of the initial aggregate principal amount of the Notes (as specified in the Loan Agreement), and (ii) the Issuer Fee for the period from the Closing Date to December 31, 2026. The Trustee will remit to the Issuer payable solely from funds provided by the Borrower, all payments of the Issuer Fee due on or after May 14, 2026.

"***Issuer's Obligations***" means the obligations of the Issuer under the Notes, the Indenture, and the other Documents to (a) pay the principal of and interest on the Notes (including supplemental interest), when and as the same shall become due and payable (whether at the stated maturity thereof, or by acceleration of maturity or after notice of prepayment or otherwise), but solely from amounts available in the Pledged Security and (b) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Issuer is required, by the Notes, the Indenture, or any of the other Documents, to perform and observe.

"***Loan***" means the loan by the Issuer to the Borrower in the principal amount of $22,000,000*, made by the Issuer to the Borrower evidenced by the Borrower Note, described in the Loan Agreement and made in connection with the issuance of the Notes.

"***Loan Agreement***" means the Loan Agreement dated May 1, 2026, between the Issuer and the Borrower and any and all Supplements thereto.

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

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

"***Managing Member***" means OTM Kerrville 3, a Texas limited liability company.

"***Mandatory Tender Date***" means each date on which all Outstanding Notes are subject to mandatory tender as set forth in the Indenture, including without limitation the Conversion Date.

"***Maturity Date***" means December 1, 2043*.

"***Moody's***" means Moody's Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, acceptable to the Remarketing Agent, that assigns credit ratings.

"***Mortgage Lender***" means PNC Bank, National Association, a national banking association, and any successors or assigns. Mortgage Lender and Bridge Lender, collectively, as the context may require, shall mean "Mortgage Lender".

"***Mortgage Loan***" means the mortgage loan to be made by the Mortgage Lender to the Borrower in the maximum principal amount of $18,010,000* with respect to the Project, as described and provided for in the Mortgage

* Preliminary, subject to change.

Loan Documents. Mortgage Loan and Bridge Loan, collectively, as the context may require, shall mean "Mortgage Loan".

"***Mortgage Loan Documents***" means the Funding Agreement, Mortgage Loan Security Instrument, the promissory note, and all other documents required by the Mortgage Lender in connection with the Mortgage Loan as the same may be amended, supplemented, restated or otherwise modified from time to time.

"***Mortgage Loan Security Instrument***" means the Deed of Trust, Security Agreement, Assignment of Leases and Rents, and Fixture Filing which will secure the Mortgage Loan, as the same may be amended, supplemented or restated or otherwise modified from time to time. Mortgage Loan Documents and the documents evidencing and securing the Bridge Loan, collectively, as the context may require, shall mean "Mortgage Loan Documents." "***Negative Arbitrage Account***" means the Negative Arbitrage Account of the Note Payment Fund created in the Indenture.

"***Note Documents***" means and shall include (without limitation), with respect to the Notes, the Indenture, the Loan Agreement, the Borrower Note, the Tax Regulatory Agreement, the Tax Exemption Agreement, and any and all other documents which the Issuer, the Borrower or any other party or parties or their representatives, have executed and delivered, or may thereafter execute and deliver, to evidence or secure the Issuer's Obligations or the Borrower's Obligations, or any part thereof, or in connection therewith, and any and all Supplements thereto, but excluding the Mortgage Loan Documents and the documents related to the Bridge Loan.

"***Note Payment Fund***" means the Note Payment Fund established pursuant to the Indenture.

"***Note Purchase Agreement***" means the Purchase Contract, dated May __, 2026, among the Issuer, the Borrower and Underwriter.

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

"***Notes***" means the Multifamily Housing Revenue Notes (Kerrville 3 Apartments), Series 2026 of the Issuer issued, authenticated and delivered under the Indenture, which are identified as such in the Indenture.

"***Notice of Conversion***" means a written notice to be delivered not fewer than fifteen (15) days prior to the Conversion Date by the Freddie Mac Seller/Servicer to the Issuer, the Trustee, the Borrower, the Equity Investor, the Mortgage Lender and Freddie Mac (i) stating that the Conditions to Conversion have been satisfied on or before the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied on or before the Forward Commitment Maturity Date, stating that such Condition to Conversion has been waived in writing by Freddie Mac (if a waiver is permitted and is granted by Freddie Mac, in its sole and absolute discretion) on or before the Forward Commitment Maturity Date and (ii) confirming the Conversion Date.

"***Official Statement***" means this Official Statement dated May __, 2026, relating to the Notes.

"***Operating Agreement***" means the Amended and Restated Operating Agreement of the Borrower dated as of May __, 2026, as executed and in effect on the Issue Date, as the same may be amended, restated or modified in accordance with its terms.

"***Opinion of Counsel***" means an opinion from an attorney or firm of attorneys, acceptable to the addressee(s) thereof, with experience in the matters to be covered in the opinion.

"***Optional Call Date***" means any date on or after December 1, 2027*.

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* Preliminary, subject to change.

"***Outstanding***," "***outstanding***" or "***Notes Outstanding***" when used with respect to the Notes means any Notes theretofore authenticated and delivered under the Indenture, except:

(a) Notes theretofore canceled by the Trustee or theretofore delivered to the Trustee for cancellation;

(b) Notes for the payment of which moneys or obligations shall have been theretofore deposited with the Trustee or other escrow agent in accordance with the Indenture; or

(c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered under the Indenture.

"***Permanent Loan Purchase Fund***" means the fund established pursuant to the Indenture.

"***Person***" shall include an individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, or government or agency or political subdivision thereof.

"***Pledged Security***" 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.

"***Project***" means, collectively, the multifamily rental housing projects located in Kerrville, Texas, to be known as Kerrville 3 Apartments, which, upon completion, will contain approximately two hundred twenty-four (224) affordable rental housing units in the aggregate and which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses.

"***Project Fund***" means the Project Fund established pursuant to the Indenture.

"***Project Loan Agreement***" means the Project Loan Agreement attached as an exhibit to the Indenture which Project Loan Agreement shall be executed, delivered and become effective on the Conversion Date.

"***Qualified Project Costs***" has the meaning assigned to such term in the Tax Exemption Agreement.

"***Rating Agency***" means any national rating agency then maintaining a rating on the Notes, and initially means Moody's.

"***Rating Category***" means one of the generic rating categories of the Rating Agency.

"***Rebate Fund***" means the Rebate Fund established pursuant to the Indenture.

"***Record Date***" means the 15th day of the month preceding any Interest Payment Date, or 45 days prior to any Mandatory Tender Date.

"***Regulations***" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

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

"***Remarketing Agreement***" means the Remarketing Agreement, dated as of May 1, 2026, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

"***Remarketing Date***" means the Initial Remarketing Date and, if the Notes 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 Notes, the day after the last day of the Remarketing Period.

"***Remarketing Period***" means the period beginning on a Remarketing Date and ending on the earlier of (i) the last day of the term for which Notes are remarketed pursuant to the Indenture, (ii) the Conversion Date or (iii) the final Maturity Date of the Notes.

"***Remarketing Proceeds Account***" means the Remarketing Proceeds Account of the Note Payment Fund created in the Indenture.

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

"***Requisition***" means the written request to make a disbursement from the Project Fund in substantially the form attached as an exhibit to the Indenture, submitted in the manner provided pursuant to the Indenture.

"***Responsible Officer***" means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of the Indenture.

"***Revenues***" means (a) the Loan Payments, (b) the Collateral Payments, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Note Payment Fund, (d) any money and investments in the Special Funds, and (e) all income and profit from the investment of the foregoing moneys. The term "Revenues" does not include any money or investments in the Rebate Fund and the Costs of Issuance Fund (but only to the extent such moneys are not proceeds of the Notes), amounts paid as fees, reimbursement for expenses or for indemnification of the Issuer and the Trustee, or amounts paid to or collected by the Issuer in connection with any Unassigned Rights of the Issuer.

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

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

"***State***" means the State of Texas.

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

"***Tax Exemption Agreement***" means the Tax Exemption Certificate and Agreement dated as of May 1, 2026, among the Issuer, the Borrower and the Trustee, and any and all amendments or supplements thereto.

"***Tax Regulatory Agreement***" means the Tax Regulatory Agreement dated as of the same date as the Indenture by and among the Issuer, the Trustee and the Borrower relating to the Notes, the Governmental Note and the Project, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

"***Title Company***" means Heritage Title Company of Austin.

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

"***Trustee***" means BOKF, NA, a national banking association, and its successor or successors in the trust created by the Indenture.

"***Unassigned Rights of the Issuer***" means (a) all of the Issuer's right, title and interest in and to all reimbursement, costs, expenses and indemnification pursuant to the Note Documents and all enforcement remedies with respect to the foregoing, all of which shall survive any transfer or payment of the Notes in full or in part and, if so indicated in the Loan Agreement or the Indenture, which shall also survive the termination of the Loan Agreement and the Indenture; (b) the right of the Issuer to receive amounts payable to it pursuant to the Loan Agreement, including the Issuer Fee; (c) all rights of the Issuer to receive any Rebate Amount (as defined in the Tax Exemption Agreement) required to be rebated to the United States of America under the Code in connection with the Notes, as described in the Tax Exemption Agreement; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent under the Indenture and under the Loan Agreement, the Tax Regulatory Agreement and the Tax Exemption Agreement; (e) all rights of the Issuer of access to the Project and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Loan Agreement, in the Tax Exemption Agreement and in the Tax Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Tax Exemption Agreement, and the Note Documents, as applicable, regarding (1) the negotiability, registration and transfer of the Notes, (2) the loss or destruction of the Notes, (3) the limited liability of the Issuer as provided in the Act, the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Tax Exemption Agreement, and the Note Documents, (4) no liability of the Issuer to third parties, and (5) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to or modification of the Indenture, the Loan Agreement, the Tax Regulatory Agreement, the Tax Exemption Agreement, and the Note Documents; and (h) any and all limitations of the Issuer's liability and the Issuer's disclaimers of warranties set forth in the Indenture, the Tax Regulatory Agreement, the Tax Exemption Agreement or the Loan Agreement, and the Issuer's right to inspect and audit the books, records and permits of the Borrower and the Project.

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

"***Underwriter***" means Stifel, Nicolaus & Company, Incorporated.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

Creation of Funds

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

(a) the Note Payment Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account;

(b) the Project Fund;

(c) the Rebate Fund, which Fund shall be administered in accordance with the provisions of the Indenture. Moneys held in the Rebate Fund are not held for the benefit of the Owners and are not part of the Pledged Security;

(d) the Costs of Issuance Fund, moneys held in the Costs of Issuance Fund that are not proceeds of the Notes are not held for the benefit of the Owners and are not part of the Pledged Security. Any moneys held in the Costs of Issuance Fund that are proceeds of the Notes are held for the benefit of the Owners and are part of the Pledged Security;

(e) the Collateral Fund; and

(f) the Permanent Loan Purchase Fund.

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

Deposits into and Use of Moneys in the Note Payment Fund

On the Closing Date, the Trustee shall deposit the Initial Deposit, if any, into the Negative Arbitrage Account of the Note Payment Fund; amounts on deposit in the Note Payment Fund are to be invested pursuant to the Indenture. Any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date pursuant to the Indenture shall also be deposited into the Negative Arbitrage Account. The Trustee is authorized and directed to release funds in the Negative Arbitrage Account to the Borrower upon receipt of an updated Cash Flow Projection and a rating confirmation from the Rating Agency.

Bond Service Charges shall be payable as they become due, (i) in the first instance from money on deposit in the Note Payment Fund (excluding the Negative Arbitrage Account therein), (ii) next from money on deposit in the Negative Arbitrage Account of the Note Payment Fund, (iii) next from money on deposit in the Collateral Fund and transferred as necessary to the Note Payment Fund and (iv) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Note Payment Fund.

Except as otherwise provided in the Indenture, moneys in the Note Payment Fund shall be used solely for the payment of the principal of and interest on the Notes when due.

Collateral Fund; Project Fund

Upon receipt, the Trustee shall deposit into the Collateral Fund all Collateral Payments received pursuant to the Funding Agreement and the Loan Agreement and any other Eligible Funds received by the Trustee for deposit into the Collateral Fund. The Loan Agreement requires the Borrower to make or cause the Mortgage Lender pursuant to the terms of the Funding Agreement, to make Collateral Payments 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 Note proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Project Costs. On the Closing Date, the Trustee shall accept the amount set forth in the Indenture of Eligible Funds from or on behalf of the Borrower, and shall deposit such Eligible Funds to the Collateral Fund.

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 Conversion Date, (A) to the Note Payment Fund in an amount sufficient to (1) pay any accrued but unpaid interest on the Notes and (2) to cause the partial redemption of the Notes in an amount sufficient to reduce the outstanding principal amount of the Notes to the Actual Project Loan Amount set forth in the Conversion Notice, and (B) to the Mortgage Lender, in repayment of the outstanding principal balance of the Mortgage Loan, (ii) on a Mandatory Tender Date other than the Conversion Date, to the Note Payment Fund, the amount necessary to pay the purchase price of the Notes, to the extent amounts on deposit in the Remarketing Proceeds Account and the Negative Arbitrage Account of the Note Payment Fund are insufficient therefor; and (iii) on any redemption date other than the Conversion Date, to the Note Payment Fund the amount, together with amounts on deposit in the Note Payment Fund, necessary to pay the principal and interest due on the Notes on such date.

The Notes 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 Note Payment Fund and applied to the payment of the principal of any of the Notes or the principal component of the redemption price of any of the Notes, all as provided in the Indenture.

To the extent moneys are not otherwise provided to the Trustee to make the necessary interest and principal payments on each Interest Payment Date, including moneys deposited into the Note Payment Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund to the Note Payment Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If requested by the Issuer or the Borrower, after the Project has been completed and a certificate of payment of all costs is filed as provided in the Indenture, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Issuer and the Borrower.

Each Requisition submitted to the Trustee shall evidence and request disbursements from the Project Fund, and/or the Costs of Issuance Fund.

Notwithstanding any provision of the Loan Agreement or the Funding Agreement or any other provision of the Indenture to the contrary, the Trustee shall not disburse moneys from the Project Fund, other than to pay Bond Service Charges on the Notes, unless and until the Trustee receives satisfactory evidence that a Collateral Payment in an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund. Prior to making any disbursement, the Trustee shall verify that upon making the disbursement, the aggregate amount to be held in (i) the Collateral Fund and (ii) the Project Fund will be at least equal to the then-Outstanding principal amount of on the Notes and that such amounts, together with amounts on deposit in the Note Payment Fund (including the Negative Arbitrage Account therein) and projected investment earnings on all such amounts, will be sufficient to pay Bond Service Charges on the outstanding Notes as and when they become due. In the event that, following receipt of the Collateral Payment, the Trustee determines that it cannot correspondingly disburse Note proceeds to or at the written direction of the Borrower or the Mortgage Lender or the Bridge Lender, the Trustee shall immediately notify the Borrower, the Mortgage Lender and the Bridge Lender of the reason for such determination and shall, promptly

upon the written request of the Borrower or the Mortgage Lender or the Bridge Lender, return the subject Collateral Payment to the party that deposited such Collateral Payment with the Trustee.

The proceeds of the Notes shall be allocated exclusively to pay Qualified Project Costs.

Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount for the Notes has been declared to be due and immediately payable under the Indenture, any moneys remaining in the Project Fund shall be promptly transferred by the Trustee to the Note Payment Fund for payment of Bond Service Charges.

Notwithstanding anything to the contrary hereto, on the Conversion Date, the Issuer may direct the Trustee to deposit to the Collateral Fund amounts provided by the Issuer and described in clause (h) of the definition of Eligible Funds for further transfer to the Note Payment Fund to be applied to the principal portion of any partial redemption of the Notes, all in furtherance of the recycling of volume cap as described in the Indenture.

Permanent Loan Purchase Fund

The Trustee shall establish and maintain a separate fund to be known as the "Permanent Loan Purchase Fund." On or before the Conversion Date, the Borrower shall cause the Freddie Mac Seller/Servicer Purchase Price, as set forth in the Conversion Notice, to be deposited into the Permanent Loan Purchase Fund. On the Conversion Date, all funds in the Permanent Loan Purchase Fund shall be applied by the Trustee towards the payment of the purchase price of Notes tendered on the Conversion Date pursuant to the Indenture. After such purchase, the Permanent Loan Purchase Fund shall be closed.

Procedure for Making Disbursements from Project Fund

Upon the delivery to the Trustee of (i) a signed Requisition in substantially the form attached an appendix to the Indenture, (ii) Eligible Funds in an amount equal to the amount of Note proceeds being requested for disbursement pursuant to such Requisition, as provided in the Indenture, and (iii) certification by a Borrower Representative that the Costs of the Project intended to be paid with such Note proceeds are qualified costs pursuant to Section 142 of the Code, the Trustee shall, on such date, deposit such Eligible Funds into the Collateral Fund and disburse from the Project Fund Note proceeds, in the amount set forth in the applicable Requisition, solely to pay Costs of the Project. To the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee shall not sell or otherwise terminate such Eligible Investments prior to their stated maturity date and instead the Trustee is instructed to make reallocations of such Eligible Investments in accordance with the Indenture.

The Trustee shall not disburse money from the Project Fund, other than to pay interest and principal on the Notes as otherwise permitted under the Indenture, unless and until Collateral Payments or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Collateral Fund in accordance with the Indenture; provided, however, that the Trustee shall transfer funds from the Project Fund to the Collateral Fund upon receipt of an opinion of Bond Counsel to the effect that such transfer shall not cause the interest on any of the Notes to be or become includible in the gross income of the owners thereof for federal income tax purposes. The Trustee may conclusively rely upon such opinion. In accordance with the Loan Agreement, and prior to making any disbursement from the Project Fund (except to make necessary interest and principal payments on the Notes as otherwise permitted under the Indenture), the Trustee shall determine that the aggregate account balance in (a) the Collateral Fund and (b) the Project Fund (less the requested disbursement amount) is at least equal to the then-Outstanding principal amount of the Notes, and that such amounts, together with amounts on deposit in the Note Payment Fund (including the Negative Arbitrage Account therein) and projected investment earnings on all such amounts, will be sufficient to pay Bond Service Charges on the outstanding Notes as and when they become due.

Money in the Project Fund shall be disbursed in accordance with the provisions of the Loan Agreement and the Indenture. To the extent moneys are not otherwise provided to the Trustee to make the necessary interest and principal payments on each Interest Payment Date, including moneys deposited into the Note Payment Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund to the Note Payment Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date.

Notwithstanding anything contained in the Indenture or any of the Borrower Documents to the contrary, with respect to Eligible Funds funded by the Mortgage Lender or the Bridge Lender for deposit into the Collateral Fund, the Trustee shall be irrevocably and unconditionally obligated to disburse an equal amount of funds from the Project Fund to either the Mortgage Lender, the Bridge Lender, the Borrower or the Title Company pursuant to a Requisition as directed by the Mortgage Lender or Bridge Lender. Such disbursements shall be made pursuant to a Requisition and shall not be made more frequently than once per month.

Subject to the Trustee's obligation to return the Eligible Funds to the Mortgage Lender or Bridge Lender as set forth above, the Trustee and the Issuer shall not, in any event, be responsible or liable to any person (other than the Borrower, but only in the case of the Trustee, and only in the event of a failure by the Trustee to make disbursements following request for disbursements in accordance with the Note Documents, when such failure is within the Trustee's sole control, and after receipt of written notice of such failure and a three-day opportunity to cure such failure) for the disbursement of, or failure to disburse, moneys from the Project Fund or any part thereof, and no contractor, subcontractor or material or equipment supplier or their respective successors and assigns shall have any right or claim against the Trustee or the Issuer under the Indenture.

Notwithstanding anything contained in the Indenture or any of the Borrower Documents to the contrary, if for any reason the Trustee is not able to disburse a corresponding amount of Note proceeds from the Project Fund to or at the direction of the Mortgage Lender, immediately following receipt of Eligible Funds from the Mortgage Lender, for deposit into the Collateral Fund, the Trustee shall promptly wire transfer such funds back to the Mortgage Lender, and not deposit same into the Collateral Fund.

Investment of Special Funds

Money in all funds or accounts including the Special Funds shall be invested and reinvested by the Trustee, and at all times held in Eligible Investments at the written direction of the Borrower. In the absence of written direction of the Borrower, any moneys held in the Special Funds under the Indenture shall be invested in (i) Invesco Treasury Portfolio (CUSIP – 825252208) or if such fund is unavailable and (ii) investments described in paragraph (b) of the definition of Eligible Investments at the Borrower's written direction. The Trustee shall have no discretion for investing funds or advising any parties on investing funds. The Trustee shall have no responsibility to determine whether any investments made pursuant to this agreement continue to be Eligible Investments. In no event shall the Trustee be deemed an investment manager or adviser in respect of any selection of investments under the Indenture.

At no time shall the Borrower direct that (a) any funds constituting Gross Proceeds (as defined in the Tax Exemption Agreement) of the Notes be used in any manner as would constitute failure of compliance with Section 148 of the Code, all as set forth in the Tax Exemption Agreement or (b) any funds be held other than in Eligible Investments.

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

The Trustee shall sell or redeem investments credited to the Note Payment Fund to produce sufficient money applicable under the Indenture to and at times required for the purposes of paying any amounts due on the Notes, and shall do so without necessity for any order on behalf of the Issuer or the Borrower and without restriction by reason of any order. An investment made from money credited to an applicable fund or account shall constitute part of that respective fund or account. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Note Payment Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Note Payment Fund. Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments upon receipt of a Cash Flow Projection.

Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments held in the Special Funds (other than the Negative Arbitrage Account and any amounts required to be held uninvested pursuant to (ii) below) shall be automatically reinvested in accordance with this heading; provided that any such earnings required to pay Bond Service Charges on an upcoming Interest Payment Date shall be retained in the applicable Fund and applied in accordance with the Indenture, and (ii) Note proceeds on deposit in the Project Fund and the Initial Deposit, if any, to the Negative Arbitrage Account shall be held uninvested until the Trustee receives written direction from the Borrower to purchase, sell or exchange Eligible Investments, all pursuant to this heading.

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

Ratings of investments shall be determined at the time of purchase of such investments. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee shall not be liable for losses (including specifically depreciation of value), fees, taxes or other charges on investments made in compliance with the provisions of the Indenture.

If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity at a price below par in connection with a mandatory tender prior to the applicable Mandatory Tender Date, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any. The Trustee may invest funds in its own proprietary money market funds or deposit products. The Trustee shall not be liable for losses (including specifically depreciation of value) on investments made in compliance with the provisions of the Indenture.

Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Issuer and the Borrower agrees that confirmations of Eligible Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. Monthly statements may be provided via electronic access to the Trustee's online portfolio system. The Trustee may conclusively rely upon the Borrower's and Issuer's written instructions as to both the suitability and legality of the directed investments, and the Trustee shall have no duty or obligation to determine if an Eligible Investment is permitted by applicable law.

The Issuer and the Borrower acknowledge that regulations of the Comptroller of the Currency grant the Borrower the right to receive brokerage confirmations of security transactions as they occur. The Borrower specifically waives such right to notification to the extent permitted by law and acknowledges that it will receive periodic transaction statements that will detail all investment transactions.

Investment of Rebate Fund

Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee in Eligible Investments as directed in writing by a Borrower Representative and otherwise solely as provided in the Tax Exemption Agreement. In the absence of written direction from the Borrower, the Trustee will not be responsible or liable for keeping the moneys held as part of the Rebate Fund fully invested, and shall hold such funds uninvested. 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.

Discharge of Lien

If and when the Notes secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Notes, together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same,

then the right, title and interest of the Trustee in and to the Pledged Security and all covenants, agreements and other obligations of the Issuer to the Noteholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon written request of the Issuer and subject to the provisions of the Indenture, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Note Payment Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Issuer all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Issuer.

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

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

Neither the securities nor moneys deposited with the Trustee pursuant to this heading nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on such Notes; provided that any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested, as directed in writing by the Borrower, in Governmental Obligations (including any short-term investment fund rated Aa1 or MIG 1 by the Rating Agency and secured by and investing solely in Governmental Obligations) maturing at times and in amounts sufficient to pay when due the principal and interest to become due on such Notes on and prior to such maturity dates thereof, as the case may be, and interest earned from such reinvestment shall be paid over to the Borrower, as received by the Trustee, free and clear of any trust, lien or pledge.

The release of the obligations of the Issuer under this heading shall be without prejudice to the right of the Trustee provided in the Indenture to be paid reasonable compensation for all services rendered by it under the Indenture and all its reasonable expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the Issuer of the trust created by the Indenture and the performance of its powers and duties under the Indenture, and shall not affect the obligations of the Borrower to make the payments required by the Loan Agreement or the Note.

Events of Default and Acceleration

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

(a) Any interest on any Note is not paid on the date on which the same becomes due; or

(b) Any principal of any Note is not paid on the date on which the same becomes due, whether at stated maturity thereof, by acceleration or otherwise; or

(c) An Event of Default occurs under the Loan Agreement; or

(d) The Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as specified in (a) or (b) of this section) contained in the Notes or in the Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer, the Borrower and the Equity Investor by the Trustee, which notice shall be given at the written request of the Holders of not less than 25% in principal amount of the Notes then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within ninety (90) days, it shall not be an Event of Default if the Issuer, the Borrower or the Equity Investor is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Notes.

If any Loan payment required under the Loan Agreement to avoid a default under (a) or (b) of this section shall not have been received at the close of business on the last Business Day preceding the day on which payment must be made to avoid a default under such (a) or (b), the Trustee shall use its best efforts to give telephonic notice of such default to the Borrower and the Equity Investor, which telephonic notice shall be confirmed by written notice to the Borrower. If any other default shall occur under the provisions of this section, the Trustee shall, within five (5) days after having actual knowledge of such default, use its best efforts to give written notice of such default to the Issuer, the Borrower, the Equity Investor and the Holders of the Notes. A default or an Event of Default specified in (a) through (d) above shall occur even though the Trustee fails to give the notice required by this paragraph, the giving of such notice being intended solely to aid in the enforcement of the rights of Noteholders and not in limitation of such rights.

If an Event of Default specified in (a) or (b) of this section shall occur and be continuing, the Trustee, upon written request of the Holders of a majority in principal amount of the Notes then Outstanding (but subject to the Trustee's right to be indemnified to its satisfaction) shall declare the principal of all Notes then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Equity Investor and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Notes to the contrary notwithstanding.

If an Event of Default specified in (c) or (d) of this section shall occur and be continuing, the Trustee, upon written request of the Holders of not less than 25% in principal amount of the Notes then Outstanding (but subject to the Trustee's right to be indemnified to its satisfaction) shall, declare the principal of all Notes then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Equity Investor and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Notes to the contrary notwithstanding.

The Equity Investor shall be entitled (but not obligated) to cure any Event of Default under the Indenture within the time frame provided to the Borrower. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Equity Investor 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.

Remedies in Addition to Acceleration

Upon the occurrence of, and during the continuance of, any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of not less than 51% in principal amount of

the Notes then Outstanding and receipt of satisfactory indemnity shall (in addition to its right or duty to accelerate as provided in the Indenture):

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Noteholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Noteholders and to perform its or their duties under the Act and the Note Documents;

(b) bring suit upon the Notes; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Noteholders.

Notwithstanding anything contained in the Indenture to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished by the Borrower for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such action.

Termination of Proceedings

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

Right of Noteholders to Direct Proceedings

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

Remedies Vested in Trustee

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

Application of Moneys

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

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

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

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

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

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

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

Whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys

available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts or principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Holder of any Note until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Amendments to Indenture and Loan Agreement Not Requiring Consent of Noteholders

The Issuer and the Trustee may, from time to time and at any time, without the consent of Noteholders, enter into agreements supplemental to the Indenture and the Loan Agreement as follows:

(i) to specify and determine any matters and things relative to Notes which shall not materially adversely affect the interest of the Noteholders;

(ii) to cure any formal defect, omission or ambiguity in the Indenture or the Loan Agreement if such action does not materially adversely affect the rights of the Noteholders;

(iii) to grant to or confer upon the Trustee for the benefit of the Noteholders any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred and which are not contrary to or inconsistent with the Indenture as theretofore in effect;

(iv) to add to the covenants and agreements of the Issuer in the Indenture or the Loan Agreement other covenants and agreements to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Loan Agreement as theretofore in effect;

(v) to add to the limitations and restrictions in the Indenture or the Loan Agreement, other limitations and restrictions to be observed by the Issuer which are not contrary to or inconsistent with the Indenture or the Loan Agreement as theretofore in effect;

(vi) to confirm, as further assurance, any pledge under and the subjection to any claim, lien or pledge created, or to be created by, the Indenture, of the Revenues or of any other moneys, securities or funds; or

(vii) to modify, amend or supplement the Indenture or the Loan Agreement in any respect which is not materially adverse to the interests of the owners of the Notes.

Before the Issuer shall enter into any agreement supplemental to the Indenture under this heading, there shall have been filed with the Trustee an opinion of Bond Counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Notes from gross income for federal income tax purposes.

The Trustee shall send written notice to the Borrower, the Limited Partners and Rating Agency of any amendment to the Indenture or the Loan Agreement and, if requested, copies of any such amendments.

Notwithstanding the foregoing, prior to the Conversion Date, no amendment shall be made to the Indenture or to the Loan Agreement with respect to the process for funding and approving a Requisition made on the Notes without the prior written consent of the Mortgage Lender (and such amendment made without such consent of the Mortgage Lender shall not be effective).

Amendments to Indenture Requiring Consent of Noteholders

Subject to the terms and provisions contained in this section and not otherwise, the Holders of not less than 66 2/3% in aggregate principal amount of the Notes then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by the Holders of all of the Notes then Outstanding, nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Note, or a reduction in the principal amount of any Outstanding Note or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Pledged Security ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Pledged Security or any part thereof (except to the extent permitted pursuant to the Note Documents), or (iii) a preference or priority of any Note or Notes over any other Note or Notes, or (iv) a reduction in the aggregate principal amount of the Notes required for any action or consent by Noteholders set forth in the Indenture, including (without limitation) that required for consent to such supplemental indentures. This section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to the Indenture without the consent of the Noteholders pursuant to the Indenture.

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

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

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

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

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

Supplemental Indentures Part of Indenture

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

Amendments to Documents Requiring Consent of Noteholders

Except as provided in the Indenture, the Issuer and the Trustee shall not consent to any amendment, change or modification of the Note Documents without the giving of written notice and the written approval or consent of the Holders of the Notes at the time Outstanding given and procured as provided in the Indenture; provided, however, no such separate approval or consent shall be required in connection with the issuance of refunding bonds if any required consent of the required number of Holders to the issuance thereof shall have been previously obtained. If at any time the Issuer and the Borrower shall request in writing the consent of the Trustee to any such proposed amendment, change or modification, the Trustee shall cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by the Indenture with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Trust Office for inspection by all Noteholders.

Conversion Date

On the Conversion Date and upon the execution and delivery of the Funding Loan Agreement, Governmental Note and Project Loan Agreement, the Indenture, the Loan Agreement and the Notes shall be deemed amended, restated and superseded in full by the terms thereof.

Severability

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

Mortgage Loan Documents Independent

Enforcement of the covenants in the Indenture will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds, any reserves or deposits required by the Mortgage Lender in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project.

Notwithstanding anything in the Indenture, the Loan Agreement, the Note or the Note Purchase Agreement to the contrary, (i) the Property (as defined in the Mortgage Loan Security Instrument) shall not include any portion of the Pledged Security and the Mortgage Lender shall not have any claim to or lien upon the Pledged Security under the Indenture and funds held by the Trustee under the Indenture and pledged to secure the repayment of the Notes, except for Eligible Funds that may be returned to the party that deposited said funds with the Trustee as may be required under the Indenture and (ii) the Pledged Security shall not include any portion of the Property (as defined in the Mortgage Loan Security Instrument).

Recycling Transactions

Notwithstanding any provisions of the Indenture or the Notes to the contrary, the Issuer shall be permitted to direct that payments representing prepayments or repayments of principal on the Borrower Note be delivered to a custodian or trustee selected by the Issuer, in lieu of application to repay a like portion of the Notes, so long as the Issuer simultaneously causes other funds to be applied to repay such portion of the Notes. The preceding provisions shall apply only for purposes of preserving or "recycling" private activity bond volume cap in accordance with Section 146(i)(6) of the Code. In connection with such recycling and Note prepayment, if so directed in a written direction of the Issuer provided to the Trustee prior to any prepayment date, the Trustee is, under the Indenture, authorized and directed to receive any such Note prepayment or amounts corresponding thereto and to hold such amounts, uninvested, for such period of time and to transfer such amounts to the Issuer, or to such custodian, fiscal agent or trustee designed by the Issuer and specified in such written direction. For purposes of effectuating the foregoing, the Trustee is hereby authorized and directed to open and create such funds or accounts, which may be temporary in nature, as may be

necessary or desirable, and to close such funds or accounts following the completion of the transfers set forth in such written direction.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

Disbursements from the Project Fund

In the Indenture, the Issuer has authorized and directed the Trustee to make disbursements from the Project Fund to pay Costs of the Project upon satisfaction of the requirements of the Indenture. The Trustee is directed in the Indenture to make disbursements from the Project Fund as provided in the Indenture, and pursuant to the receipt of a Requisition in substantially the form attached to the Indenture as an appendix.

Disbursements from the Project Fund for the payment of Qualified Project Costs shall be made by the Trustee only to, or at the written direction of, the Borrower, upon satisfaction of all of the following conditions:

(i) The receipt by the Trustee of a completed Requisition providing the amount of the disbursement request (a "Disbursement Amount") and the expected date of disbursement (a "Disbursement Date").

(ii) Promptly upon receipt of a completed and fully executed Requisition, the Trustee will notify the Borrower and the Mortgage Lender if (A) the Disbursement Amount exceeds the available account balance of the Project Fund or (B) a Responsible Officer of the Trustee has actual knowledge that an Event of Default has occurred and is continuing. If such an Event of Default has occurred and is continuing to the knowledge of the Trustee, the Trustee shall make no further disbursements from the Project Fund so long as such Event of Default continues to exist.

(iii) Unless the Borrower and the Mortgage Lender are given notice from the Trustee of the matters described in clause (ii) above, on or before the expected Disbursement Date the Borrower will cause Collateral Payments equal to the Disbursement Amount to be delivered to the Trustee in immediately available funds.

(iv) Upon receipt by the Trustee of the Collateral Payments in an amount equal to the Disbursement Amount, such Collateral Payments shall be deposited into the Collateral Fund. In the event that the amount of the Collateral Payments received by the Trustee does not equal the amount of the Requisition, the Trustee shall promptly return such Collateral Payments to the applicable collateral provider and shall not make the requested disbursement.

(v) Subject to the Indenture, upon satisfaction of the conditions set forth in clauses (i) through (iv) above, the Trustee shall be unconditionally and irrevocably obligated to disburse funds from the Project Fund in accordance with the Requisition. The Trustee shall disburse funds from the Project Fund in accordance with the instructions contained in the Requisition (A) on the same Business Day that it receives the Collateral Payment in the event the Trustee receives the Collateral Payment with respect to such Requisition prior to 1:30 PM Local Time (or such later time that is acceptable to the Trustee in its discretion) on such Business Day or (B) on the next succeeding Business Day if the Trustee receives the Collateral Payment after such time.

The Borrower's right to request disbursements from the Project Fund is limited to the principal amount of the Loan and conditioned upon the deposit of Eligible Funds into the Collateral Fund as set forth in the Indenture.

Borrower Required to Pay in the Event Project Fund Is Insufficient

In the event the moneys in the Project Fund are not sufficient to pay the Costs of the Project in full, the Borrower agrees to complete the Project and to pay that portion of the Costs of the Project in excess of the moneys available therefore in the Project Fund. The Issuer does not make any warranty, either express or implied, that the moneys paid into the Project Fund and available for payment of the Costs of the Project will be sufficient to pay all of the Costs of the Project. The Borrower agrees that if after exhaustion of the moneys in the Project Fund, the Borrower should pay any portion of the Costs of the Project pursuant to the provisions of this section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee or the Holders of any of the Notes, nor shall the Borrower be entitled to any diminution of the amounts payable under the Loan Agreement.

Loan of Proceeds

The Issuer agrees, upon the terms and conditions of the Loan Agreement and the Indenture, to lend to the Borrower the proceeds received by the Issuer from the sale of the Notes. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in the Loan Agreement.

Mortgage Loan to Borrower; Eligible Funds

The Borrower shall have obtained the Mortgage Loan from the Mortgage Lender prior to or simultaneously with the execution and delivery of the Loan Agreement, and the Borrower shall enter into the Funding Agreement simultaneously with the execution and delivery of the Loan Agreement to provide for the delivery to the Trustee of a portion of the Mortgage Loan as Collateral Payments.

In consideration of and as a condition to the disbursement of Note proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall cause the Mortgage Lender and the Bridge Lender, from time to time, to deliver Eligible Funds pursuant to the Funding Agreement to the Trustee for deposit into the Collateral Fund to enable the Trustee to disburse an equal amount of Note proceeds from the Project Fund as approved by the Mortgage Lender and Bridge Lender, in connection with a completed and fully executed Requisition, in substantially the form attached to the Indenture as an appendix.

Borrower's Obligations Upon Tender of Notes

If any tendered Note 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 Note Payment Fund, or the Project Fund as provided in the Indenture for the purpose of paying the purchase price of such Note, 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 Notes tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to the Indenture.

Option to Terminate

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

Prepayment

Provided no Event of Default shall have occurred or be continuing, at any time the Notes are subject to optional redemption in accordance with applicable provisions of the Indenture, the Borrower may prepay the Loan by

directing the Issuer in writing to direct the Trustee to call Notes for optional redemption in whole or in part in accordance with the applicable provisions of the Indenture providing for optional redemption at the price stated in the Indenture, from amounts held in the Collateral Fund, the Project Fund and the Note Payment Fund, provided such amounts are sufficient to pay the redemption price of the Notes in full.

Defaults Defined

The following shall be "Defaults" under the Loan Agreement and the term "Default" shall mean, whenever it is used in the Loan Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay any amount required to be paid under the Loan Agreement.

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

(c) The dissolution or liquidation of the Borrower, or the voluntary initiation by the Borrower of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Borrower of any such proceeding which shall remain undismissed for ninety (90) days, or failure by the Borrower to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Borrower to carry on its operations at the Project, or assignment by the Borrower for the benefit of creditors, or the entry by the Borrower into an agreement of composition with its creditors or the failure generally by the Borrower to pay its debts as they become due.

(d) The occurrence of an Event of Default under the Indenture (other than under clause (d) under the heading "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE — Events of Default and Acceleration").

The provisions of subsection (b) of this section are subject to the following limitation: if by reason of force majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained in the Loan Agreement (other than its obligations relating to the Loan as set forth in the Loan Agreement), the Borrower shall not be deemed in Default during the continuance of such inability. Such force majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The term "force majeure" as used in the Loan Agreement shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; terrorism; landslides; earthquakes; fires; storms; droughts; floods; explosions; and events not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement. The settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Remedies on Default

Whenever any Default referred to under the section "Defaults Defined" above shall have happened and be continuing beyond the expiration of any applicable cure period, the Trustee, or the Issuer (in the event the Trustee fails to act), may take one or any combination of the following remedial steps:

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

(b) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Loan Agreement, the Borrower Note, the Tax Regulatory Agreement or any other Document in the event of default thereunder.

Any amounts collected pursuant to action taken under this section shall be paid into the Note Payment Fund and applied in accordance with the provisions of the Indenture.

No Remedy Exclusive

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

No Additional Waiver Implied by One Waiver

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

Mortgage Loan Documents Independent

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in the Loan Agreement, the Indenture or the other Borrower Documents will not serve as a basis for default on the Mortgage Loan, the underlying mortgage, or any of the other Mortgage Loan Documents, unless such default is expressly declared by the Mortgage Lender in accordance with the terms of the Mortgage Loan Documents.

To the extent not otherwise set forth above in this section, the provisions of the Indenture are incorporated in the Loan Agreement by reference to the same extent as if set forth in the Loan Agreement in full.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT

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

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

Low Income Tenants; Records and Reports

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

(a) During the Qualified Project Period, no less than forty percent (40%) of the total number of units of each Individual Project shall at all times be rented to and occupied by Low Income Tenants. For the purposes of this paragraph (a), a vacant unit which was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, at which time the character of such unit shall be redetermined.

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

(c) After the date of the Tax Regulatory Agreement, the Borrower will obtain and maintain on file Income Certifications from each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of each new Low Income Tenant in an Individual Project and (ii) thereafter, annual Income Certifications which must be obtained on or before the anniversary of such Low Income Tenant's occupancy of the unit, and in no event less than once in every 12-month period following each Low Income Tenant's occupancy of a unit in such Individual Project. For administrative convenience, the Borrower may establish the first date that an Income Certification for an Individual Project is received as the annual recertification date for all tenants in the Project. The Borrower will obtain such additional information as may be required in the future by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are Tax-Exempt under Section 142(d) of the Code. A copy of the most recent Income Certification for Low Income Tenants commencing or continuing occupation of a Low Income Unit (and not previously filed) shall be attached to the Certificate of Continuing Program Compliance to be filed with the Trustee no later than each April 15 (for the quarter ending March 31), July 15 (for the quarter ending June 30), October 15 (for the quarter ending September 30), and January 15 (for the quarter ending December 31) (commencing on the date referenced above following the first date on which 10% of the units in an Individual Project are occupied) until the end of the Qualified Project Period. The Borrower shall make a diligent and good-faith effort to

determine that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as a part of the verification process: (1) obtain pay stubs for the most recent one-month period; (2) obtain income tax returns for the most recent two (2) tax years; (3) conduct a consumer credit search; (4) obtain an income verification from the applicant's current employer; (5) obtain an income verification from the Social Security Administration; or (6) if the applicant is self-employed, unemployed, does not have income tax returns or is otherwise not reasonably able to provide other forms of verification as required above, obtain another form of independent verification as would, in the Borrower's reasonable commercial judgment, be satisfactory and will comply with terms of the Tax Regulatory Agreement.

(d) The Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit, at all reasonable times and upon reasonable notice during normal business hours, any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury, or the Internal Revenue Service (the Department of the Treasury and the Internal Revenue Service shall nevertheless be required to comply with all applicable laws and rules) to enter upon an Individual Project Site to examine and inspect such Individual Project and to inspect the books and records of the Borrower pertaining to such Individual Project, including those records pertaining to the occupancy of the Low Income Units.

(e) The Borrower will prepare and submit to the Trustee quarterly on each April 15 (for the quarter ending March 31), July 15 (for the quarter ending June 30), October 15 (for the quarter ending September 30), and January 15 (for the quarter ending December 31) (commencing on the date referenced above following the first date that 10% of the units in an Individual Project are occupied) until the end of the Qualified Project Period, a Certificate of Continuing Program Compliance for an Individual Project covering the last three calendar months in substantially the form attached to the Tax Regulatory Agreement as an exhibit executed by the Borrower.

(f) On or before each March 31 (commencing March 31, 2027) (or such other date as shall be specified by the Secretary of the Treasury) during the Qualified Project Period, the Borrower will submit a completed Internal Revenue Service Form 8703 (or such other annual certification required by the Code and/or applicable Regulations to be submitted to the Secretary of the Treasury as to whether an Individual Project continues to meet the requirements of Section 142(d) of the Code) to the Secretary of the Treasury and provide a copy thereof to the Trustee.

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

(h) The Borrower further agrees to use its best efforts, to the extent permitted by applicable law, to provide to the Issuer no later than each July 15, the information required for the Issuer to complete its annual report to the Texas Department of Housing and Community Affairs, as required by Section 394.027 of the Act. In general, the report (for year ending June 30) must include for persons residing in housing units financed by the Issuer information similar to the geographic and demographic information contained in the Texas Department of Housing and Community Affairs Compliance Monitoring Form and Income Certification, including household size, total household income, and project location. The current form of such annual report to be filed by the Issuer is attached as an exhibit to the Tax Regulatory Agreement.

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

(j) Anything in the Tax Regulatory Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties to the Tax Regulatory Agreement that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument

made or provided by the Borrower in order to establish the existence of any fact or statement of affairs not otherwise within the knowledge of the Issuer or the Trustee, and which is required to be noticed, represented or certified by the Borrower under the Tax Regulatory Agreement or in connection with any filings, representations or certifications required to be made by the Borrower in connection with the issuance and delivery of the Notes.

(k) The Borrower shall provide to the Issuer and the Trustee a certificate certifying (i) within ninety (90) days thereof, the date on which ten percent (10%) of the Units are first occupied; and (ii) within ninety (90) days thereof, the date on which fifty percent (50%) of the Units are first occupied.

Sale or Transfer of the Project

The Borrower covenants and agrees not to voluntarily sell, transfer, or otherwise dispose of any Individual Project, or any leasehold interest therein or portion thereof (other than leases for individual tenant use as contemplated under the Tax Regulatory Agreement and easements necessary for the ordinary course of business and obsolete personal property), without obtaining the prior written consent of the Issuer which consent shall not be unreasonably withheld or delayed by the Issuer and shall be given by the Issuer (but only after receipt by the Issuer of the written consent of the Majority Owner Representative) if (a) the purchaser or transferee shall covenant to operate such Individual Project in such a manner as to comply with the provisions of the Tax Regulatory Agreement; (b) the Issuer and the Trustee shall have received (i) evidence reasonably satisfactory to the Issuer that the Borrower's purchaser or transferee has assumed in writing and in full and is capable of performing the Borrower's duties and obligations under the Tax Regulatory Agreement, the Loan Agreement, the Funding Loan Agreement, the Tax Exemption Agreement, and the Indenture, (ii) a certificate of the Borrower to the effect that no Event of Default has occurred and is continuing under the Loan Agreement, the Project Loan Agreement, the Tax Exemption Agreement, or the Tax Regulatory Agreement, unless the purpose of such transfer is to cure such a default, (iii) payment to the Issuer by the Borrower or its purchaser or transferee of an assumption fee in an amount established by the Issuer from time to time for such purpose, (iv) evidence reasonably satisfactory to the Issuer that the transferee has agreed to any restrictions imposed by Bond Counsel in order to maintain the treatment of interest on the Notes as excludable from gross income for federal income tax purposes, (v) an opinion of counsel to the transferee addressed to the Issuer and the Trustee that the transferee has duly assumed such obligations of the Borrower under the Tax Regulatory Agreement, the Project Loan Agreement, the Tax Exemption Agreement, and the Loan Agreement and that such obligations and the Tax Regulatory Agreement, the Project Loan Agreement and the Loan Agreement are binding on the transferee, (vi) an opinion of Bond Counsel that such transfer shall not adversely affect the Tax-Exempt status of the interest on the Notes, and (vii) a Certificate of Continuing Program Compliance current as of a date no more than 45 days prior to delivery thereof; and (c) as among the Issuer, the Trustee, and the Borrower, the Borrower shall pay all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in the Tax Regulatory Agreement. The foregoing requirements relating to the voluntary sale, transfer or other disposition of an Individual Project shall not apply in the event of foreclosure or the delivery of a deed in lieu of foreclosure. IT IS EXPRESSLY STIPULATED AND AGREED THAT ANY SALE, TRANSFER OR OTHER DISPOSITION OF ANY INDIVIDUAL PROJECT IN VIOLATION OF THIS SECTION SHALL CONSTITUTE A DEFAULT UNDER THE TAX REGULATORY AGREEMENT AND SHALL BE INEFFECTIVE TO RELIEVE THE BORROWER OF ITS OBLIGATIONS UNDER THE TAX REGULATORY AGREEMENT. Nothing contained in this section shall affect any provision of any other document or instrument, including the Security Instrument (as defined in the Funding Loan Agreement) between the Borrower or any other party which requires the Borrower to obtain the consent of such other party as a precondition to sale, transfer, or other disposition of any Individual Project. Such restrictions on transfer will be in addition to, and not in lieu of, compliance with any other provisions of the Financing Documents (as defined in the Funding Loan Agreement). Upon any sale or other transfer which complies with the Tax Regulatory Agreement, the Borrower shall be fully released from its obligations under the Tax Regulatory Agreement to the extent such obligations have been assumed by the transferee of such Individual Project. Any transfer of an Individual Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this section.

The Borrower covenants and agrees that it shall not change its Managing Member by transfer, sale, or otherwise without the prior written consent of (i) the Issuer, which consent will not be unreasonably delayed or withheld, and (ii) the Majority Owner Representative; however, the consent of the Issuer shall not be required with respect to the withdrawal, removal, and/or replacement of the Borrower's Managing Member in accordance with the terms of the Partnership Agreement. A change in the Borrower's Managing Member includes any transfer of any

controlling ownership interests in the Managing Member other than by death or incapacity. In addition, any transfers of or changes in a limited liability company interest are permitted without the consent of the Issuer.

Covenants to Run with the Land

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

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

Recording and Filing

The Borrower shall cause the Tax Regulatory Agreement, and all amendments and supplements to the Tax Regulatory Agreement and thereto, to be recorded and filed in the real property records of Kerr County, Texas, and in such other places as the Issuer or the Trustee may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. The Tax Regulatory Agreement is subject to and subordinate to all matters of record as of the date of the Tax Regulatory Agreement.

Default; Enforcement

Subject to the limitations, if any, in the Loan Agreement, if the Borrower defaults in the performance or observance of any covenant, agreement, or obligation of the Borrower set forth in the Tax Regulatory Agreement, and if such default remains uncured for a period of sixty (60) days after written notice thereof shall have been given by the Issuer or the Trustee to the Borrower and the Investor, then the Trustee, provided the Trustee is aware of such default, after being indemnified as provided in the Indenture, shall declare an "Event of Default" to have occurred under the Tax Regulatory Agreement; however, if the default stated in the notice is of such a nature that it cannot be corrected within sixty (60) days, such default shall not constitute an Event of Default under the Tax Regulatory Agreement so long as (i) the Borrower institutes corrective action within said sixty (60) days and diligently pursues such action until the default is corrected and (ii) in the opinion of Bond Counsel, the failure to cure said default within sixty (60) days will not adversely affect the Tax-Exempt status of interest on the Notes.

Notwithstanding anything to the contrary contained in the Tax Regulatory Agreement, the Trustee and the Issuer agree that any cure of any default made or tendered by the Borrower's special limited partner, and/or the Investor 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. Copies of all notices that are sent to the Borrower under the terms of the Tax Regulatory Agreement shall also be sent to the Investor at its notice address set forth in the Indenture.

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

(i) by mandamus or other suit, action, or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under the Tax Regulatory Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee under the Tax Regulatory Agreement;

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

(iii) take such other action at law or in equity as may be permitted and necessary to enforce the obligations, covenants, and agreements of the Borrower under the Tax Regulatory Agreement.

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

All rights and remedies in the Tax Regulatory Agreement given or granted to the Issuer and the Trustee are cumulative, nonexclusive, and in addition to any and all rights and remedies that the Issuer and the Trustee may have or may be given by reason of any law, statute, ordinance, document, or otherwise if there is an Event of Default under the Tax Regulatory Agreement, and the Trustee covenants, subject to the terms of the Indenture (which terms will survive the termination of the Indenture and conversion of the Bonds into the Governmental Lender Note) and the Funding Loan Agreement (as applicable), including its receipt of indemnity (satisfactory to it in its sole and absolute discretion), to use its commercially reasonable efforts to enforce each of the covenants contained in the Tax Regulatory Agreement. Notwithstanding the availability of the remedy of specific performance provided for in this section, promptly upon determining that a violation of the Tax Regulatory Agreement has occurred, the Issuer shall to the extent that it has actual knowledge thereof, by notice in writing to the Trustee, use its best efforts to inform the Trustee that a violation of the Tax Regulatory Agreement has occurred.

Amendments

Subject to the provisions of the Tax Regulatory Agreement, the Tax Regulatory Agreement shall be amended only by a written instrument executed by the parties to the Tax Regulatory Agreement, or their successors in title, and duly recorded in the real property records of Kerr County, Texas, and only upon receipt by the Issuer, the Trustee, the Majority Owner Representative and the Borrower of an Opinion from Bond Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Notes and is not contrary to the provisions of the Act.

Freddie Mac Rider

The provisions of the Freddie Mac Rider attached to the Tax Regulatory Agreement as an exhibit are incorporated by reference as if fully set forth therein. In the event of a conflict between provisions of the Freddie Mac Rider and the provisions of the Tax Regulatory Agreement, the provisions of the Freddie Mac Rider shall control. The provisions of the Freddie Mac Rider shall not take effect until the Loan Servicer or Freddie Mac is the holder of the Governmental Note and shall be terminated automatically and without further action required of any party hereto, the Loan Servicer, or Freddie Mac following the Freddie Mac Purchase Date (as defined in the Funding Loan Agreement) upon the earlier of (a) the date the Governmental Note is paid in full, retired, or otherwise discharged and (b) the date neither the Loan Servicer nor Freddie Mac is the Funding Lender or Funding Lender Representative.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

**$22,000,000*
Alamo Area Housing Finance Corporation
Multifamily Housing Revenue Notes
(Kerrville 3 Apartments),
Series 2026**

This Continuing Disclosure Agreement, dated as of May 1, 2026 (this "Continuing Disclosure Agreement"), is executed and delivered by EC Kerrville 3, LLC, a Texas limited liability company (the "Borrower"), and BOKF, NA, in its capacity as dissemination agent (the "Dissemination Agent"), for the above-captioned notes (the "Notes"). The Notes are being issued pursuant to a Trust Indenture, dated as of May 1, 2026 (the "Indenture") between the Alamo Area Housing Finance Corporation (the "Issuer") and BOKF, NA, in its capacity as trustee (the "Trustee"). 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 Notes 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 Notes 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 Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes 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 BOKF, NA, 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 MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB's Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

---

* Preliminary, subject to change.

"*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. 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 provide confirmation to the Borrower stating that the Annual Report has been provided pursuant to this Continuing Disclosure Agreement, and stating the date it was provided.

Section 4. Content of Annual Reports. The Borrower's Annual Report will contain or incorporate by reference the financial information 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. Neither the Dissemination Agent nor the Trustee shall have any obligation to examine the contents of any Annual Report in order to verify compliance with this Section 4.

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 Notes, or other material events affecting the tax status of the Notes;

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

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

(ix) Defeasances;

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

(xi) Rating changes;

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

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

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

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

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

(xvii) The Project's being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project's being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D hereto. Notice of the Project being placed in service from the Dissemination Agent to the Municipal Securities Rulemaking Board shall be in the form attached as Exhibit C hereto.

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

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice by email. While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge (as defined below) 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 upon the Trustee obtaining

actual knowledge of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (a)(i) - (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. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Borrower, and not that of the Trustee or the Dissemination Agent, and the Dissemination Agent has agreed to give the foregoing notice to the Disclosure Representative as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. [In no event shall the Dissemination Agent be liable in damages or in tort to any person or entity, including the Participating Underwriter, the Issuer, the Borrower or any Holder or Beneficial Owner of any interests in the Notes as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.]

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than seven (7) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with written notice and written instructions pursuant to 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 written instructions to file the same pursuant to subsection (e) below.

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (d) of this Section 5 or otherwise, and is instructed in writing by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within three (3) 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, provided that the Borrower has complied with the notice requirements of subsection (d), file the notice with the MSRB and send a copy to the Borrower. The foregoing notwithstanding, the Borrower is solely responsible for instructing the Dissemination Agent to provide notice to the MSRB no more than ten (10) Business Days after the occurrence of a Listed Event.

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

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

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 Notes may, take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel specific performance by court order.

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

Section 9. Reserved.

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

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

(a) This Continuing Disclosure Agreement governs the Borrower's direction to the Dissemination Agent with respect to information to be made public. In its actions under this Continuing Disclosure Agreement, the Dissemination Agent is acting not as Trustee, but as the Borrower's agent; provided that the Dissemination Agent shall be entitled to the same protections, limitations from liability and indemnities in so acting under this Continuing Disclosure Agreement as it has in acting as Trustee under the Indenture as fully as if the applicable provisions of the Indenture were set forth herein. The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement and no implied covenants shall be read into this Continuing Disclosure Agreement with respect to the Dissemination Agent. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Borrower, the Holders of the Notes or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times. The Dissemination Agent shall have no responsibility to determine the materiality of any Listed Event or potential Listed Event. The Dissemination Agent shall have no obligation to monitor

compliance with any covenants, representations, or warranties except as expressly set forth in the Indenture or this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty or responsibility to review, verify, or determine the adequacy, accuracy, or materiality of any document or information provided by the Borrower, Issuer, or any other party and shall not be liable for any error, omission, or delay in posting documents to EMMA or DTC, except for its own willful misconduct or gross negligence. The Dissemination Agent shall be indemnified by the Borrower and/or Issuer for any loss, liability, or expense incurred in connection with the performance of its duties, except for willful misconduct or gross negligence. The Dissemination Agent shall act only upon written direction from the Borrower, Issuer, or other authorized party, and may conclusively rely upon such direction and Certifications of the Borrower at all times without independent investigation.

The Dissemination Agent may resign at any time with written notice to the Borrower; provided such resignation shall not take effect until the appointment of a successor Dissemination Agent as provided herein. The Borrower shall promptly appoint a successor Dissemination Agent after receipt of a written notice of resignation. If no appointment of a successor Dissemination Agent shall be made pursuant to this section within sixty (60) days following delivery of the notice of resignation, the retiring Dissemination Agent, at the cost of the Borrower, may apply to any court of competent jurisdiction to appoint a successor Dissemination Agent.

The Dissemination Agent shall have no obligation to make disclosure concerning the Notes, the Project or any other matter except as expressly set out herein. Except as set forth in Section 5(b) hereof, the fact that the Dissemination Agent or affiliate thereof has or may have any banking, fiduciary or other relationship with the Borrower or any other party in connection with the Project or otherwise, apart from the relationship created by this Continuing Disclosure Agreement, shall not be construed to mean that the Dissemination Agent or affiliate thereof has knowledge or notice of any event or condition relating to the Notes or the Project except in its respective capacities under this Continuing Disclosure Agreement.

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

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

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

IN ADDITION TO ANY AND ALL RIGHTS OF THE DISSEMINATION AGENT FOR REIMBURSEMENT, INDEMNIFICATION AND OTHER RIGHTS PURSUANT TO THE RULE OR UNDER LAW OR EQUITY, THE BORROWER AGREES TO INDEMNIFY AND SAVE THE DISSEMINATION AGENT, ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH IT MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF ITS POWERS AND DUTIES HEREUNDER, INCLUDING, WITHOUT LIMITATION, THE COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. THE INDEMNIFICATION OF THE DISSEMINATION AGENT AS PROVIDED IN THIS SECTION SHALL REMAIN IN FULL FORCE AND EFFECT IF LIABILITIES DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF, OR RELATE TO, OR ARE ASSERTED TO HAVE RESULTED FROM, ARISEN OUT OF, OR RELATED TO, THE SOLE OR CONTRIBUTORY NEGLIGENCE OF THE DISSEMINATION AGENT.

Notwithstanding anything to the contrary contained herein, the obligations of the Borrower under this Section 11 shall survive resignation or removal of the Dissemination Agent, termination of the Indenture and defeasance, redemption or payment of the Notes.

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

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

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

If to the Borrower / Disclosure Representative:

EC Kerrville 3, LLC
C/O Envolve Communities, LLC
4121 Carmichael Road, Suite 200
Montgomery, AL 36106
Attention: Tyler Hunt
Telephone: (334) 954-4458
Email: tyler.hunt@envolvellc.com

If to the Dissemination Agent:

BOKF, NA
1401 McKinney Street, Suite 1000
Houston, TX 77010
Attention: Rosalyn Davis
Telephone: (713) 289-5829
Email: Rosalyn.Davis@bokf.com

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

Section 14. Termination of this Continuing Disclosure Agreement. The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. Except as otherwise provided herein, the Borrower's and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, tender, conversion or payment in full of all of the Notes. If such termination occurs prior to the final maturity of the Notes, 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]

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

EC KERRVILLE 3, LLC,
a Texas limited liability company

By: EC Kerrville 3 SLM, LLC,
a Texas limited liability company,
its Authorized Signatory

By: LRC GP, LLC,
a Delaware limited liability company,
its Sole Member

By: Envolve Communities, LLC,
a Delaware limited liability company,
its Sole Member

By: _____
Ty Tyson
Authorized Person

[Counterpart Signature Page to Continuing Disclosure Agreement]

BOKF, NA,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

$22,000,000*
Alamo Area Housing Finance Corporation
Multifamily Housing Revenue Notes
(Kerrville 3 Apartments),
Series 2026

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Projects:	(1) Heritage Oaks (2) The Meadows (3) Paseo de Paz
Address:	(1) Heritage Oaks – 2350 Junction Highway, Kerrville, TX 78028 (2) The Meadows – 2300 Junction Highway, Kerrville, TX 78028 (3) Paseo de Paz – 401 Clearwater Paseo, Kerrville, TX 78028
Number of Units:	(1) Heritage Oaks - 76 (2) The Meadows - 72 (3) Paseo de Paz - 76

INFORMATION ON THE NOTES

Original principal amount of Notes:	
Outstanding principal amount of Notes:	

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 Notes	
Net Income (Loss)	
Debt Service Coverage Ratio	

[1] Excludes depreciation and other non-cash expenses.

* Preliminary, subject to change.

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.

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: Alamo Area Housing Finance Corporation

Name of Note Issue: Alamo Area Housing Finance Corporation Multifamily Housing Revenue Notes (Kerrville 3 Apartments), Series 2026

Name of Borrower: EC Kerrville 3, LLC

CUSIP: _____

Date of Issuance: May __, 2026

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the "Borrower") has not provided an Annual Report with respect to the above-named Notes 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: _____

BOKF, NA,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF PROJECT PLACED IN SERVICE

Name of Issuer:	Alamo Area Housing Finance Corporation
Name of Note Issue:	Alamo Area Housing Finance Corporation Multifamily Housing Revenue Notes (Kerrville 3 Apartments), Series 2026
Name of Borrower:	EC Kerrville 3, LLC
Name of Projects:	(1) Heritage Oaks (2) The Meadows (3) Paseo de Paz
Address of Projects:	(1) Heritage Oaks – 2350 Junction Highway, Kerrville, TX 78028 (2) The Meadows – 2300 Junction Highway, Kerrville, TX 78028 (3) Paseo de Paz – 401 Clearwater Paseo, Kerrville, TX 78028
Date of Issuance:	May __, 2026

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of May 1, 2026, between the above-referenced borrower (the "Borrower") and BOKF, NA, 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:

BOKF, NA,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

**$22,000,000*
Alamo Area Housing Finance Corporation
Multifamily Housing Revenue Notes
(Kerrville 3 Apartments),
Series 2026**

The undersigned hereby provides notice to BOKF, NA, a national banking association, as dissemination agent (the "Dissemination Agent") that the multifamily rental housing facility to be known as Kerrville 3 Apartments (the "Project") has been placed in service in accordance with the Trust Indenture, dated as of May 1, 2026, between Alamo Area Housing Finance Corporation (the "Issuer") and BOKF, NA, a national banking association, as trustee (the "Trustee"), pursuant to which the above-captioned notes were issued, as further evidenced by the attached Certificate of Occupancy.

EC KERRVILLE 3, LLC,
a Texas limited liability company

By: EC Kerrville 3 SLM, LLC,
a Texas limited liability company,
its Authorized Signatory

By: LRC GP, LLC,
a Delaware limited liability company,
its Sole Member

By: Envolve Communities, LLC,
a Delaware limited liability company,
its Sole Member

By: _____
Ty Tyson
Authorized Person

* Preliminary, subject to change.

ATTACHMENT

Certificate of Occupancy

APPENDIX F

FORM OF BOND COUNSEL OPINION

May __, 2026

Alamo Area Housing Finance Corporation San Antonio, Texas	BOKF, NA, as Trustee Houston, Texas
Stifel, Nicolaus & Company, Incorporated Birmingham, Alabama	Freddie Mac McLean, Viginia

Ladies and Gentlemen:

We have represented the Alamo Area Housing Finance Corporation (the "Corporation") as its bond counsel in connection with the issuance of the Corporation's $22,000,000* Multifamily Housing Revenue Notes (Kerrville 3 Apartments), Series 2026 (the "Notes") pursuant to a resolution adopted by the Board of Directors of the Corporation on March 25, 2026; a Trust Indenture dated as of May 1, 2026 (the "Indenture"), by and between the Corporation and BOKF, NA, as trustee (the "Trustee"); a Loan Agreement dated as of May 1, 2026 (the "Loan Agreement"), between the Corporation and EC Kerrville 3, LLC, a Texas limited liability company (the "Borrower"), the Tax Regulatory Agreement dated as of May 1, 2026 (the "Tax Regulatory Agreement"), among the Corporation, the Trustee, and the Borrower; and a Tax Exemption Certificate and Agreement dated as of May 1, 2026 (the "Tax Exemption Agreement"), among the Corporation, the Trustee and the Borrower (such documents collectively referred to herein as the "Note Documents"). The Notes bear interest at the rate, mature on the date, and are subject to mandatory tender and redemption prior to maturity as provided in the Indenture. Capitalized terms used herein and not otherwise defined are used with the meanings assigned to such terms in the Note Documents.

The Notes are being issued for the purpose of obtaining funds to make a mortgage loan to the Borrower to provide financing for the acquisition, rehabilitation and equipping of a multifamily residential rental development known as the Kerrville 3 Apartments (the "Project") located in Kerrville, Texas.

The scope of our engagement as bond counsel extends solely to an examination of the facts and law incident to rendering an opinion with respect to the legality and validity of the Notes under the laws of the State of Texas (the "State") and the security therefor, and the excludability of interest on the Notes from gross income for federal income tax purposes. We have not been engaged to review, or undertaken the review of, the accuracy, completeness or sufficiency of the Official Statement or any other offering material relating to the Notes, and we express no opinion relating thereto (excepting only the matters set forth in our supplemental opinion of bond counsel of even date herewith). We have not assumed any responsibility with respect to the financial condition or capability of the Corporation or the Borrower or other parties involved with the issuance of the Notes, or the disclosure thereof.

In our capacity as bond counsel, we have participated in the preparation of and have examined a transcript of certain proceedings pertaining to the Notes, on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Corporation, the Cities and the Counties (together, the "Sponsors"), the Borrower and other parties involved with the issuance of the Notes, and customary certificates, opinions, affidavits and other documents executed by officers, agents and representatives of the Corporation, the Sponsors, the Borrower and such other parties. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein. Moreover, we have examined executed Note No. I-1 of this issue.

We have assumed with your permission and without independent verification (i) the genuineness of certificates, records and other documents (collectively, "documents") and the information submitted to us and the

* Preliminary, subject to change.

accuracy and completeness of the statements contained therein; (ii) the due authorization, execution and delivery of the documents by the parties thereto other than the Corporation, and the validity and binding effect of the documents on such parties; (iii) that all documents submitted to us as originals are accurate and complete; (iv) that all documents submitted to us as copies are true and correct copies of the originals thereof; and (v) that all information submitted and representations and certifications delivered to us by the Corporation and other parties are accurate and complete.

We have assumed and relied on for purposes of this opinion letter continuing compliance with the covenants, representations and certifications in the Note Documents, including, but not limited to, covenants relating to the tax-exempt status of the Notes.

Based upon such examination, and subject to the assumptions, qualifications and limitations set forth herein, it is our opinion that, under existing law:

1. The Notes constitute valid and legally binding special limited obligations of the Corporation and are entitled to the benefit and security of the Indenture.

2. Interest on the Notes is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except with respect to the interest on any Note for any period during which such Note is held by a "substantial user" of the Project or a "related person" of such a "substantial user," as those terms are defined for purposes of section 147(a) of the Code.

3. Interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax on individuals, but we observe that such interest is taken into account in computing the alternative minimum tax imposed on certain corporations.

We express no opinion as to the amount or timing of interest on the Notes or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Notes. This opinion letter is specifically limited, to the extent applicable, to the laws of the State and the laws of the United States of America. We express no opinion on whether any particular noteholder is a "substantial user" or "related person" as those terms are defined for purposes of section 147(a) of the Code or as to whether a particular payment is interest. Further, in the event that the information submitted to us or the representations of the Corporation, the Borrower, or other parties involved with the issuance of the Notes upon which we have relied are determined to be inaccurate or incomplete or the Corporation or the Borrower fail to comply with the covenants in the Note Documents pertaining to those sections of the Code that affect the tax-exempt status of the Notes, interest on the Notes could become includable in gross income for federal income tax purposes from the date of the original delivery of the Notes, regardless of the date on which the event causing such inclusion occurs.

We express no opinion as to the priority or perfection of the security interest granted by the Corporation in the Pledged Security.

The enforceability of certain provisions of the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors. Furthermore, availability of equitable remedies under the Notes may be limited by general principles of equity that permit the exercise of judicial discretion.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement these opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

This letter is delivered to the addressees hereof in connection with the issuance and delivery of the Notes. The opinions set forth above speak only as of the date of this letter and only in connection with the Notes and may not be applied to any other transaction. The opinions expressed herein are for the sole benefit of, and may be relied upon only by, the addressees named above, and this opinion letter may not otherwise be used, circulated, quoted, or referred

to, in whole or in part, without the prior written consent of the undersigned in each and every instance. We observe that we are engaged solely to represent the Corporation as its bond counsel in this matter.

Very truly yours,