

In the opinion of Womble Bond Dickinson (US) LLP, under laws existing on the date of issuance and assuming continuous compliance with certain covenants and agreements contained in the documents more fully described herein, interest on the Bonds is excludable from the gross income of the holder(s) of the Bonds for purposes of federal income taxation pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), except as provided in Section 147(a) of the Code with respect to any period during which the Bonds are held by a person who is a "substantial user" of any facility financed or refinanced by the Bonds or by a "related person," as such terms are used in Section 147(a) of the Code and the regulations adopted thereunder, and except as set forth herein under the heading "TAX MATTERS." For purposes of federal income taxation, interest on the Bonds is not treated as a specific item of tax preference for purposes of calculating the federal alternative minimum tax on individuals. However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. Bond Counsel is further of the opinion that under current law, interest on the Bonds is exempt from income taxation by the State of Arizona. See further discussion under the heading "TAX MATTERS" herein.

\$20,000,000*

**The Industrial Development Authority of the City of Phoenix, Arizona
Multifamily Housing Revenue Bonds
(Broadway Farms at Hurley Station, Phase II Project),
Series 2026**

Dated: Date of Delivery**Initial Interest Rate: _____%****Initial Offering Price: 100%****Mandatory Tender in connection with Conversion Date:
no earlier than August 1, 2028*****Optional Call Date: August 1, 2028*****Initial Mandatory Tender Date: August 1, 2029*****Maturity Date: February 1, 2060*****CUSIP: _____**

The Industrial Development Authority of the City of Phoenix, Arizona (the "Issuer") is issuing its Multifamily Housing Revenue Bonds (Broadway Farms at Hurley Station, Phase II Project), Series 2026 (the "Bonds") pursuant to a Trust Indenture dated as of July 1, 2026 (the "Indenture"), by and between the Issuer and UMB Bank, N.A., as trustee (the "Trustee"). The Bonds 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 February 1 and August 1, commencing February 1, 2027*. The Bonds are issuable only as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple of \$1,000 in excess thereof. See "THE BONDS" herein.

The Bonds are being issued to finance a loan (the "Loan") to 4201 S 91st Avenue Owner II, LLLP, an Arizona limited liability limited partnership (the "Borrower"), to enable the Borrower to pay a portion of the cost of: (a) acquiring, constructing, developing, improving, equipping and/or operating a qualified residential rental facility (including improvements and facilities functionally related and subordinate thereto), which is expected to be comprised of approximately 144 units (all or a portion of which will be set aside for occupancy by low- to moderate-income tenants) situated on approximately 5.18 gross acres of real property generally located at or near 4141 South 91st Avenue, Tolleson, AZ 85353 (collectively, the "Facility"); (b) funding any required reserve funds; (c) paying capitalized interest on the Bonds, if any; and (d) paying fees, expenses and costs incurred in connection with the authorization, issuance and sale of the Bonds (collectively, the "Project"). The Loan will be made to the Borrower pursuant to a Loan Agreement, dated as of July 1, 2026 (the "Loan Agreement"), between the Issuer and the Borrower, under which the Borrower has agreed to provide, as described herein, payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due. The Loan will be evidenced by a Promissory Note in the principal amount of \$20,000,000* (the "Note") from the Borrower to the Issuer and endorsed to the Trustee.

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

The Bonds are subject to mandatory tender prior to the Initial Mandatory Tender Date as set forth herein. See "THE BONDS" herein.

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

THE BONDS, THE PREMIUM IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE CITY OF PHOENIX, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE CITY OF PHOENIX, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL

* Preliminary; subject to change.

OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered for delivery when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) and subject to the approval of legality by Womble Bond Dickinson (US) LLP, Phoenix, Arizona, 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, Winthrop & Weinstine, P.A., Minneapolis, Minnesota. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in Brooklyn, New York on or about July __, 2026.

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

STIFEL

Date: July __, 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 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale prior to the registration or qualification under the securities laws of any such jurisdiction. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made under the Indenture shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

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

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

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

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

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

UMB Bank, N.A., in each of its capacities, including but not limited to, as Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Official Statement, assumes no responsibility for its content, and makes no representation or warranty, express or implied, as to any matters contained in this Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the Bonds, or (iii) the tax-exempt status of the Bonds.

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OFFICIAL STATEMENT

\$20,000,000*

**The Industrial Development Authority of the City of Phoenix, Arizona
Multifamily Housing Revenue Bonds
(Broadway Farms at Hurley Station, Phase II Project),
Series 2026**

INTRODUCTION

This Official Statement (this “Official Statement”) has been prepared in connection with the issuance of the above-captioned Bonds (the “Bonds”) by The Industrial Development Authority of the City of Phoenix, Arizona (the “Issuer”), an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”). The Board of the Issuer has authorized the issuance of the Bonds by its duly adopted Resolution dated April 23, 2026 (the “Resolution”) and the Bonds are issued pursuant to a Trust Indenture dated as of July 1, 2026 (the “Indenture”), by and between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”). Certain capitalized terms that are used in this Official Statement and not otherwise defined shall have the definitions ascribed to them in “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto.

The Bonds are to be issued pursuant to the Industrial Development Financing Act, A.R.S. § 35-701 et seq., as amended (the “Act”), for the purpose of providing funds to make a loan (the “Loan”) to 4201 S 91st Avenue Owner II, LLLP, an Arizona limited liability limited partnership (the “Borrower”), to enable the Borrower to pay a portion of the cost of (a) acquiring, constructing, developing, improving, equipping and/or operating a qualified residential rental facility (including improvements and facilities functionally related and subordinate thereto), which is expected to be comprised of approximately 144 units (all or a portion of which will be set aside for occupancy by low- to moderate-income tenants) situated on approximately 5.18 gross acres of real property generally located at or near 4141 South 91st Avenue, Tolleson, AZ 85353 (collectively, the “Facility”); (b) funding any required reserve funds; (c) paying capitalized interest on the Bonds, if any; and (d) paying fees, expenses and costs incurred in connection with the authorization, issuance and sale of the Bonds (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 July 1, 2026 (the “Loan Agreement”), by and between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower has agreed to make payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due (the “Bond Service Charges”) to the extent that amounts otherwise available for such payment are insufficient therefor. The Loan will be evidenced by a promissory note in the principal amount of \$20,000,000* (the “Note”) from the Borrower to the Issuer and endorsed to the Trustee.

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

The Bonds shall bear interest on the outstanding principal amount thereof at a rate equal to the Initial Interest Rate set forth on the cover page hereof from the date of delivery to, but not including, August 1, 2029* (the “Initial Mandatory Tender Date”), payable on each February 1 and August 1, commencing February 1, 2027* (each an “Interest Payment Date”).

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on or prior to the Initial Mandatory Tender Date, including on the Conversion Date. All Bondholders must tender their Bonds for purchase on each Mandatory Tender Date, as set forth in the

* Preliminary; subject to change.

Indenture. A new interest rate for the Bonds may be determined on the Initial Remarketing Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

Citibank, N.A. (“Citibank”) has entered into a Forward Commitment Agreement with the Borrower and UMB Bank, N.A., a national banking association (in such capacity, the “Mortgage Lender”), dated as of July 1, 2026, and effective the Closing Date (the “Citibank Forward Commitment”), whereby Citibank has committed, subject to the satisfaction on or before the Termination Date (as defined in the Citibank Forward Commitment) of the Conditions to Conversion set forth in the Citibank Forward Commitment, to facilitate the financing of the Project in the Permanent Phase.

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

THE ISSUER

The following information has been provided by the Issuer for use herein. While the information is believed to be reliable, none of the Trustee, the 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 an Arizona nonprofit corporation designated a political subdivision of the State incorporated with the approval of the City, pursuant to the Act. The Issuer is governed by a Board of Directors, currently consisting of eight members who are elected by the City Council of the City. Pursuant to the Act, the Issuer is empowered to issue its revenue bonds to provide funds for financing the costs of the acquisition, construction, equipping and improvement of a “project,” as defined in the Act, including the Project.

The Issuer has no taxing power and no source of funds for payment of the Bonds other than the trust estate established under the Indenture. The Issuer does not have the power to pledge the general credit or taxing power of the State or of any political subdivision thereof, including, but not limited to, the City. Under the financing contemplated hereby, the Issuer has no payment obligations with respect to this financing after the issuance of the Bonds. All payments made pursuant to the Loan Agreement will be made directly from the Borrower to the Trustee for disbursement to the Owners.

The Issuer will not in the future monitor the financial condition of the Borrower, the operation of the Project, payment of the Bonds, or compliance with the Documents relating thereto. The Issuer will rely entirely upon the Trustee and the Borrower to carry out their responsibilities under the Documents with respect to the Project.

The Issuer has determined that no financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Bonds, and the Issuer will not provide any such information. The Issuer has assets and may obtain additional assets in the future. However, such assets are not pledged to secure payment of the Bonds, and the Issuer has no obligation or expectation of making such assets subject to the lien of the Indenture or any other Documents.

The Issuer has not furnished, reviewed, investigated, or verified the information contained in this Preliminary Official Statement other than the information contained under this caption and under the caption “ABSENCE OF LITIGATION — The Issuer.” The Issuer has not, and will not, undertake any responsibilities to provide continuing disclosure with respect to the Bonds or the security therefor, and the Issuer will have no liability to the Owners of the Bonds with respect to any such disclosures.

THE BONDS DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER AND SHALL NEVER CONSTITUTE OR CREATE A CHARGE AGAINST THE CREDIT OR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER (WHICH HAS NO TAXING POWER) BUT ARE LIMITED AND SPECIAL REVENUE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS UNDER THE INDENTURE, THE LOAN AGREEMENT AND THE OTHER MONEYS PLEDGED THEREFORE AS PROVIDED IN THE INDENTURE AND THE LOAN AGREEMENT. THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO PROVIDE ANY FUNDS FOR THEIR PAYMENT. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF SHALL IN ANY MANNER BE LIABLE FOR THE PERFORMANCE OF ANY AGREEMENT OR PLEDGE OF ANY KIND WHICH MAYBE UNDERTAKEN BY THE ISSUER NOR SHALL ANY BREACH THEREOF BY THE ISSUER CREATE ANY OBLIGATIONS UPON THE STATE ANY POLITICAL SUBDIVISION THEREOF.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EMPLOYEE, ADVISOR, CHIEF EXECUTIVE OFFICER OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EMPLOYEES, ADVISORS, CHIEF EXECUTIVE OFFICER OR AGENTS, IF ANY, AS SUCH IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

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

Contemporaneously with the issuance of the Bonds, the Borrower will obtain a mortgage loan (the "Mortgage Loan") from the Mortgage Lender. Over time, Eligible Funds, including proceeds of the Mortgage 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 Bond 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 proceeds of the Mortgage Loan to be delivered to the Trustee for deposit into the Collateral Fund will be \$20,000,000*.

Bond Service Charges shall be payable as they become due, (i) in the first instance from money on deposit in the Bond Fund (excluding the Negative Arbitrage Account therein), (ii) next from money on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (iv) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund. The Indenture provides that the amount of funds disbursed from the Project Fund on any given date for payment of Qualified Project Costs shall 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 100% of the principal amount of the Bonds 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 Bonds. The Mortgage Lender will not deliver Eligible Funds to the Trustee for deposit into the Collateral Fund until the Trustee

* Preliminary; subject to change.

has first confirmed this calculation to the Mortgage Lender. Upon receipt of Eligible Funds, Trustee shall be unconditionally and irrevocably obligated to disburse Bond 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 Bond Fund and the Collateral Fund will be invested on the Closing Date in Permitted Investments. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Investment of Bond Fund, Project Fund and Collateral Fund; Permitted Investments” herein.

THE BONDS

Terms of Bonds Generally

The Bonds shall be issued in Authorized Denominations and shall mature on February 1, 2060* (the “Maturity Date”). The Bonds 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 February 1, 2027* and on each Mandatory Tender Date.

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

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

Mandatory Tender

All Outstanding Bonds shall be subject to mandatory tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. The purchase price for each such Bond shall be payable in lawful money of the United States of America by check or draft, shall equal 100% of the principal amount to be purchased and accrued interest, if any, to the Mandatory Tender Date and shall be paid in full on the applicable Mandatory Tender Date. Notwithstanding the foregoing, if the Notice of Conversion has not been delivered establishing the Conversion Date and resulting Mandatory Tender Date, the Bonds 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 earlier of (A) the Initial Mandatory Tender Date and (B) the Conversion Date, and (ii) any subsequent dates for mandatory tender of the Bonds established by the Borrower with the consent of the Remarketing Agent in connection with a remarketing of the Bonds pursuant to the Indenture.

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

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

The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Local Time on the Mandatory Tender Date in the following priority: (i) amounts representing proceeds of remarketed Bonds deposited into the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase; (ii) on the Conversion Date, amounts on deposit in the Permanent Loan

* Preliminary; subject to change.

Purchase Fund, to pay the tender price of Bonds tendered for purchase in an amount equal to the Permanent Period Amount, (iii) amounts on deposit in the Collateral Fund (and/or other Eligible Funds under the Indenture), to pay the principal amount of Bonds tendered for purchase; (iv) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest; if any, on Bonds 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 Bonds 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.

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

With respect to any mandatory tender on the Conversion Date, at the written direction of the Borrower, the Trustee shall sell or redeem Permitted Investments on deposit in the Project Fund and Collateral Fund and use the proceeds thereof, along with any deposit of Eligible Funds from the Borrower as required pursuant to the paragraph below, to redeem Bonds in excess of the Permanent Period 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 Bond 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

Notice to Holders. Not less 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 Bonds then Outstanding (with a copy to the Borrower, the Investor Limited Partner and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

- (i) the Mandatory Tender Date and that (a) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date, (b) all Outstanding Bonds must be tendered for purchase no later than 12:00 noon Local Time on the Mandatory Tender Date and (c) Holders will not have the right to elect to retain their Bonds;
- (ii) the address of the Designated Office of the Trustee at which Holders should deliver their Bonds for purchase and the date of the required delivery;
- (iii) that all Outstanding Bonds will be purchased on the Mandatory Tender Date at a price equal to the principal amount of the Outstanding Bonds plus interest accrued to the Mandatory Tender Date; and
- (iv) any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date.

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

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

Notice delivered as required under the Indenture with respect to a mandatory tender in connection with Conversion 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 Bonds 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 Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Remarketing Proceeds Account at 11:00 a.m. Local Time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. The Bonds shall be redeemed at a redemption price equal to 100% of the principal amount of such Bonds plus accrued interest to the applicable Redemption Date from funds on deposit in, or transferred from, the Bond Fund, the Collateral Fund, and the Project Fund.

Optional Redemption

The Bonds are subject to optional redemption prior to their maturity, at the written direction of the Borrower with the prior written consent of the Mortgage Lender, 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 Issuer and the Trustee, and (ii) the Optional Call Date, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, but without premium, to the applicable Redemption Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Bond 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.

The Trustee shall receive written notice from the Borrower at least five (5) Business Days prior to the required notice mailing date of the Borrower's intention to conduct an optional redemption. For Bonds subject to optional redemption pursuant to the Indenture, the Trustee shall give at least fifteen (15) calendar days' notice (or, with respect to the Securities Depository, such shorter period in order to comply with the policies or procedures of the Securities Depository), in the name of the Issuer, of the redemption of the Bonds, which notice shall be provided to the Securities Depository and made available on the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board, specifying (i) the maturity and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the planned Redemption Date; (vii) any conditions to the occurrence of the redemption (including whether such notice shall be subject to rescission if the conditions are not satisfied); (viii) the place or places where amounts due upon such redemption will be payable; (ix) the redemption price; (x) the Trustee's name and address with a contact and a phone number, if necessary or convenient as determined by the Trustee; and (xi) that on the Redemption Date, the redemption price shall be paid and from and after such date, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds shall have no rights in respect thereof except to receive payment of said redemption price. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholder, nor any defect in such notice shall affect the sufficiency of the proceedings for redemption of any Bonds or constitute a condition precedent to the effectiveness of any such redemption. The Bonds to be redeemed in part pursuant shall be selected in accordance with the operational arrangements of DTC or any successor Securities Depository, and any payments in respect of a redemption in part shall be made in accordance with DTC procedures.

Book-Entry Only System

The following information on the Book-Entry System applicable to all Bonds 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 Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be secured by all right, title and interest of the Issuer in the Trust Estate, including, but not limited to (i) all right, title and interest of the Issuer in and to all Revenues, derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Loan Agreement (other than the Unassigned Rights), together with all other Revenues received by the Trustee for the account of the Issuer arising out of or on account of the Trust Estate, (ii) all right, title and interest of the Issuer in and to the Note (other than the Unassigned Rights) including all payments and proceeds with respect thereto or replacement thereof, (iii) all moneys (including Eligible Funds) 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 but only to the extent such moneys are not proceeds of the Bonds) 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); 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 Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture (the foregoing collectively referred to as the "Trust Estate").

THE BONDS, THE PREMIUM IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE CITY OF PHOENIX, THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE CITY OF PHOENIX, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, PROGRAM MANAGER, MEMBER, COUNSEL, ADVISOR, EMPLOYEE, CONTRACTOR, CONSULTANT, CHIEF EXECUTIVE OFFICER OR AGENT OF THE ISSUER OR THE CITY OF PHOENIX, OR OF ANY SUCCESSOR TO THE ISSUER OR THE CITY OF PHOENIX, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR THE CITY OF PHOENIX OR ANY SUCCESSOR TO THE ISSUER OR THE CITY OF PHOENIX, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, PROGRAM MANAGERS, MEMBERS, COUNSEL, ADVISORS, EMPLOYEES, CONTRACTORS, CONSULTANTS, CHIEF EXECUTIVE OFFICERS OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

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 Bond 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 Bond Fund, Project Fund and Collateral Fund; Permitted Investments

On the Closing Date, all amounts on deposit in the Bond Fund and Collateral Fund will be invested in Permitted Investments. It is anticipated that all of the Bond 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 Bond Fund and Collateral Fund and any investment earnings thereon.

Additional Bonds

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

PRIVATE PARTICIPANTS

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

The Borrower

The Borrower for the Project is 4201 S 91st Avenue Owner II, LLLP, an Arizona limited liability limited partnership. The Borrower is a single-asset entity formed for the specific purpose of developing and owning the Project. The general partner of the Borrower will be CEC-Broadway Farms II, LLC, an Arizona limited liability company (the “General Partner”), which will own a 0.01% interest in the Borrower. The Class B limited partner of the Borrower will be 4201 S 91st Avenue Development II, LLC, an Arizona limited liability company (the “Class B Limited Partner”), which will own a 0.01% interest in the Borrower. CREA Broadway Farms at Hurley Station Phase II, LLC, a Delaware limited liability company (the “Investor Limited Partner”), will own a 99.979% interest in the Borrower. CREA SLP, LLC, an Indiana limited liability company (the “Special Limited Partner”), will own a 0.001% interest in the Borrower.

The Investor Limited Partner

Contemporaneously with the issuance of the Bonds, the Investor Limited Partner will acquire a 99.979% ownership interest in the Borrower. In connection with such acquisition, the Investor Limited Partner is expected to fund approximately \$17,685,586* 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 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 4201 91st Avenue Developer II, LLC, an Arizona limited liability company (the “Developer”). The sole owner of the of the Developer, St. Charles LIHTC Investors, LLC, and its affiliates have 33 years of experience in affordable multifamily development. St. Charles LIHTC Investors, LLC has developed approximately 1,000 units in Colorado, and after the Project, 334 units in Arizona.

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

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

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

* Preliminary; subject to change.

Accordingly, neither the Borrower's financial statements nor those of its partners are included in this Official Statement.

The Property Manager

The Borrower has entered into a management agreement with Silva Management Partners, LLC, a Colorado limited liability company (the "Property Manager"), to manage the day-to-day operations of the Project. The Property Manager is not an affiliate of the Developer. The Property Manager has been involved in the management of affordable housing since 2014. The Property Manager currently manages approximately 3,500 apartment units.

The General Contractor

The general contractor for the Project is H&B Builders (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based in Phoenix, Arizona, the General Contractor was formed in 2017 and is an Arizona-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 2,000 units of multifamily apartments.

The Architect

The architect for the Project is Perlman Architects of AZ, Inc. (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for approximately 25 years and has been the principal architect for 47 multifamily developments with a total of 3,473 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, to be known as Broadway Farms at Hurley Station Phase II, is located in Tolleson, Arizona, on an approximately 5.18-gross-acre site. The Project contains 144 apartment units in six buildings (not including the clubhouse, which was constructed as part of Phase I) located at 4141 South 91st Avenue, Tolleson, AZ 85353. Common area improvements the residents of the Project will have access to will include: a clubhouse, playground, EV charging stations, bike repair, BBQ area, and a multi-use trail. Unit amenities include: in-unit washer/dryer and ceiling fans. There are 216 parking spaces for resident use only.

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

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

Unit Type	Average Square Feet	Number of Units
1 bedroom	657	45
2 bedroom	907	51
3 bedroom	1,163	24
4 bedroom	1,341	<u>24</u>
TOTAL		144

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Plan of Financing

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

Sources of Fund*:

Bond Proceeds ¹	\$20,000,000
Taxable Permanent Loan	2,430,000
Tax Credit Equity	17,685,586
Deferred Developer Fee	4,859,331
Short Term Arbitrage Interest	1,845,000
GP Equity	310,595
ADOH Loan	1,000,000
<u>Installment Sale Note</u>	<u>2,500,000</u>
Total Sources	<u>\$50,630,512</u>

Uses of Funds*:

Acquisition Costs	\$2,910,000
Construction Costs	24,710,100
Contingency	6,387,353
Costs of Issuance	1,376,965
Professional Services	1,967,231
Tax Credit Syndication and Closing Costs	400,547
Financing Costs	836,779
Developer Fee	6,315,613
Reserves & Escrows	5,725,924
Total Uses	<u>\$50,630,212</u>

¹ Subject to the satisfaction of the Conditions to Conversion, the Bonds may be subject to mandatory tender prior to the Initial Mandatory Tender Date with certain Eligible Funds, including the purchase price thereof delivered to the Trustee by Citibank. On such tender date, Bonds so tendered will be converted to the Governmental Lender Note and delivered to Citibank.

All costs of issuing the Bonds, 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 \$26,341,257* (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 the Mortgage Lender. The Mortgage Note will have a term of 36 months, with the right to one six-month extension, and will bear interest at the rate set forth in the Mortgage Note, 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.

Taxable Permanent Loan. The Project will also utilize a taxable permanent loan from Citibank, N.A. in the principal amount of \$2,430,000*, subject to increase per the Citibank Forward Commitment (the "Taxable Permanent Loan"). The Taxable Permanent Loan is expected to be funded on the Conversion Date once the Bonds have been paid in full.

ADOH Loan. The Project will also utilize a subordinate loan in the principal amount of \$1,000,000* (the "ADOH Loan"). The obligation to repay the ADOH Loan will be set forth in a promissory note (the "ADOH Note") from the Borrower to the Arizona Department of Housing, and the ADOH Loan will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The ADOH Note will be secured by a subordinate mortgage against the Project subordinate to the Mortgage Loan. The ADOH Note will have a term of 20*

* Preliminary, subject to change.

years and will bear interest at a rate of 3%* per annum, with annual principal and interest not otherwise paid, due at maturity.

The Low Income Housing Tax Credit Proceeds. Contemporaneously with the issuance of the Bonds, the Borrower sold to the Investor Limited Partner a 99.979% ownership interest in the Borrower. Pursuant to the sale, the funding of the Federal Low Income Housing Tax Credit equity will total approximately \$17,685,586*, with approximately \$2,992,400* expected to be funded in connection with the issuance of the Bonds. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Deferred Developer Fee. The Project will utilize deferred developer fee in the anticipated amount of \$4,859,331* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

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

Sources of Funds*:	
Bond Proceeds	\$20,000,000
Total	<u>\$</u>
Uses of Funds*:	
Project Fund	\$20,000,000
Total	<u>\$</u>

Project Regulation

The Borrower intends to operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds, the Borrower, Family Housing Resources, Inc., as compliance monitor, and the Issuer will enter into the Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”). Under the Regulatory Agreement, the Borrower will agree that, at all times during the Qualified Project Period (as defined in the Regulatory Agreement), the Borrower will rent at least 40% of the units in the Project to persons whose adjusted family income (determined in accordance with the provisions of the Code) is no more than 60% of the area median income (adjusted for family size) (“AMI”). See “APPENDIX D — SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the 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”). All of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size.

CERTAIN BONDHOLDERS’ RISKS

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

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 Bond proceeds held in the Project Fund, if any, and moneys deposited into the Collateral Fund and the Bond Fund, including the Negative Arbitrage Account held in the Bond Fund.

* Preliminary; subject to change.

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 Bond 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 Bonds. It is expected that all of the Bond 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 Bond Fund, and the interest earnings thereon (without the need for reinvestment), will be sufficient to pay the debt service on the Bonds.

Limited Security for Bonds

The Bonds are not secured by the Mortgage Loan. Investors should look exclusively to amounts on deposit in the Bond 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 Bonds.

Future Determination of Taxability of the Bonds

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

Issuer Limited Liability

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

Enforceability of Remedies upon an Event of Default

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

Secondary Markets and Prices

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

Permitted Investments

Proceeds of the Bonds deposited into the Project Fund and Eligible Funds received by the Trustee for deposit into the Collateral Fund are required to be invested in Permitted Investments. See “APPENDIX A — DEFINITIONS OF CERTAIN TERMS” hereto for the definition of Permitted Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Project Fund or the Collateral Fund, and any

failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

Rating Based on Permitted Investments

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

Subordination to Mortgage Loan Documents

The Indenture, the Loan Agreement, the Note, and the 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 Bonds from gross income for federal income tax purposes.

Future Legislation; IRS Examination

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

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

Potential Impact of Pandemics or Public Health Crises

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

Summary

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

TAX MATTERS

Any tax advice concerning the Bonds, interest on the Bonds or any other federal income tax issues associated with the Bonds, express or implicit in the provisions of this Official Statement, is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties that may be imposed on any taxpayer by the Internal Revenue Service. This document supports the promotion or marketing of the transactions or matters addressed herein. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

General

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Womble Bond Dickinson (US) LLP, Bond Counsel, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix F.

Federal Income Tax Status of Interest

Except as qualified below, in the opinion of Womble Bond Dickinson (US) LLP, Bond Counsel, assuming continuous compliance with the Borrower's covenants in the Tax Compliance Agreement and No Arbitrage Certificate to be delivered by the Borrower and Issuer in connection with the delivery of the Bonds (the "Tax Certificate"), and based on existing statutes, court decisions, regulations and rulings, and subject to the qualifications described in the remaining paragraphs under this heading, interest on the Bonds (a) is excludable from the gross income of the holders of the Bonds for purposes of federal income taxation pursuant to the Code under existing statutes, regulations and decisions, except as provided in Section 147(a) of the Code with respect to any period during which the Bonds are held by a person who is a "substantial user" of the Project or by a "related person," as such terms are used in Section 147(a) of the Code and the regulations adopted thereunder, and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. However, such interest is included in the "adjusted financial statement income" (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. In the event of noncompliance with certain covenants contained in the Tax Certificate, interest on the Bonds would be subject to income taxation by the United States from the date of issue. The proposed form of the Opinion of Bond Counsel appears as Appendix F hereto.

Bond Counsel's opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel's judgment as to the excludability of interest on the Bonds for federal income tax purposes. Bond Counsel's opinion does not contain or provide any opinion or assurance regarding the future activities of the Issuer or the Borrower or about the effect of future changes in the Code, the applicable regulations, or the interpretation or the enforcement thereof by the Internal Revenue Service (the "IRS") and the courts.

Although Bond Counsel is of the opinion that interest on the Bonds is excludable from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, Bonds may otherwise affect the federal tax liability of an owner of the Bonds. The nature and extent of these other federal tax consequences depend on the owner's particular tax status and levels of other income or deductions. Bond Counsel will express no opinion regarding any such other tax consequences and prospective purchasers of the Bonds should consult their own tax advisors with respect thereto.

Reliance and Assumptions; Effect of Certain Changes

In delivering its opinion regarding the federal tax treatment of interest on the Bonds, Bond Counsel is relying upon and assuming the accuracy of certifications and representations of the Issuer, the Borrower, and other persons to facts material to the opinion, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the Issuer and the Borrower. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the Treasury of the United States (the “Treasury”). The Indenture, the Loan Agreement, the Tax Certificate, and the Regulatory Agreement contain covenants (the “Covenants”) with which the Issuer and the Borrower have agreed to comply. A failure to comply with the Covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. If such a failure were to occur, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for federal income tax purposes. Compliance by the Issuer with its respective Covenants does not require the Issuer to make any financial contribution for which it does not receive funds from the Borrower.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Indenture, the Loan Agreement, and the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

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

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, banks and financial institutions, certain insurance companies, dealers in tax-exempt obligations, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the “branch profits tax,” individual recipients of Social Security or Railroad Retirement benefits, owners of an interest in a financial securitization trust, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

Original Issue Premium

Bonds purchased in the initial public offering with yields lower than their applicable interest rate, as shown on the cover page hereof, have been sold with “bond premium.” Each such Bond is referred to below as an “OIP Bond.” The excess of (i) the owner’s basis in the OIP Bond immediately after acquisition over (ii) the amount payable at maturity (excluding qualified stated interest) as determined under Section 171 of the Code constitutes the amount of the bond premium. Under the Code, the bond premium is amortized based on the owner’s yield over the remaining term of the OIP Bond (or, in the case of certain callable OIP Bonds, to an earlier call date that results in a lowest yield on the OIP Bond). The owner of an OIP Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period against the bond premium allocable to that period. No deduction is allowed for such amortization of bond premium even though the owner is required to decrease the adjusted basis in the owner’s OIP Bond by the amount of the amortizable bond premium, which will result in an increase in the gain (or decrease in the loss) recognized for federal income tax purposes upon a sale or disposition of the OIP Bond prior to its maturity.

Prospective purchasers of any OIP Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, sale, exchange, or other disposition of, and amortization of bond premium on, such OIP Bonds.

Information Reporting and Backup Withholding

Prospective purchasers should be aware that the interest on the Bonds is subject to information reporting to the IRS in a manner similar to interest paid on taxable obligations. In addition, interest on the Bonds may be subject to backup withholding if the interest is paid to an owner who or which (i) is not an “exempt recipient” and (ii) (A) fails to furnish an accurate U.S. taxpayer identification number in the manner required, (B) has been notified of a failure to report all interest and dividends required to be shown on federal income tax returns or (C) fails to certify under penalty of perjury that the owner is not subject to withholding. Individuals generally are not exempt recipients, although corporations and other entities generally are.

The reporting and backup withholding requirements do not in and of themselves affect the excludability of interest on the Bonds from gross income for federal income tax purposes, and amounts withheld under the backup withholding rules may be refunded or credited against the owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS.

Internal Revenue Service Audits

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Bonds, the IRS will, under its current procedures, treat the Issuer as the taxpayer. As such, the beneficial owners of the Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Bonds.

Arizona Income Tax Consequences

Bond Counsel will also opine that, under current law, interest on the Bonds is exempt from income taxation by the State. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Bonds under the laws of the State or (ii) any consequences arising with respect to the Bonds under the tax laws of any state or local jurisdiction other than the State. Prospective purchasers of the Bonds should consult their own tax advisors regarding such other Arizona tax consequences or the tax status of interest on the Bonds in a particular state or local jurisdiction other than the State.

Changes in Federal and State Tax Law and Regulations

Legislation affecting tax-exempt obligations is regularly considered by the U.S. Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes.

The U.S. Department of the Treasury and the IRS and state regulatory authorities are continuously drafting regulations to interpret and apply the provisions of the Code and state law and court proceedings may be filed, the outcome of which could modify the federal or state tax treatment of tax-exempt obligations.

There can be no assurance that legislation proposed or enacted after the date of issue of the Bonds, regulatory interpretation of the Code or state laws or actions by a court involving either the Bonds or other tax-exempt obligations will not have an adverse effect on the Bonds' federal or state tax status, marketability or market price or on the economic value of the tax-exempt status of the interest on the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential consequences of any such proposed or pending federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

UNDERWRITING

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

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

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

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include securities sales and trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the Issuer and/or the Borrower and to persons and entities with relationships with the Issuer and/or the Borrower, for which they received or will receive customary fees and expenses. The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

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

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

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

RATING

Moody’s Investors Service, Inc., a Delaware corporation (the “Rating Agency”), has assigned to the Bonds 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 Bonds. There is no assurance that any such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating can be expected to have an adverse effect on the market price of the Bonds.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Prior to the issuance of the Bonds, the Borrower will execute and deliver a Continuing Disclosure Agreement 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 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price and the ability of the Issuer to issue and sell bonds in the future.

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

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to an approving opinion of Womble Bond Dickinson (US) LLP, Phoenix, Arizona. Certain legal matters will be passed upon for the Borrower by its counsel, Winthrop & Weinstine, P.A., Minneapolis, Minnesota, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

ABSENCE OF LITIGATION

The Issuer

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 Bonds, or in any way contesting or affecting the validity of the Bonds, 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 Bonds, the existence or powers of the Issuer relating to the Bonds 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 general partner 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 Bonds, the use of this Official Statement in the marketing of the Bonds 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 Bonds 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 Bonds 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 Bonds included in this Official Statement do not purport to be comprehensive or definitive. Such summaries, references and descriptions are qualified in their entirety by reference to each such document, copies of which are on file with the Trustee.

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

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

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC Rule 15c2-12.

[Signature page to follow]

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

4201 S 91ST AVENUE OWNER II, LLLP,
an Arizona limited liability limited partnership

By: 4201 S 91st Avenue Development II, LLC,
an Arizona limited liability company
Its: General Partner

By: _____
Darrin R. Grommeck
Manager

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

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

“Act” means the Industrial Development Financing Act, A.R.S. § 35-701 et seq., as amended.

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

“Authorized Borrower Representative” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Issuer and the Trustee, which certificate may designate an alternate or alternates. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Issuer) a written certificate revoking such person’s authority to act in such capacity.

“Authorized Denomination” means (a) so long as the Bonds are rated “BBB-” or higher by a Rating Agency, \$5,000, or any integral multiple of \$1,000 in excess thereof, or (b) at any other time, \$100,000 or any integral multiple of \$1,000 in excess thereof, or the outstanding principal amount of the Bonds, if less.

“Authorized Issuer Representative” means the President or Chief Executive Officer of the Issuer, or any other legally authorized signatory of the Issuer.

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

“Beneficial Owner” shall have the meaning given such term in the Indenture.

“Bond Counsel” means Womble Bond Dickinson (US) 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 Fund” means the Bond Fund established pursuant to the Indenture.

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated July ___, 2026, among the Issuer, the Borrower and Underwriter.

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

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

“Bonds” means the Multifamily Housing Revenue Bonds (Broadway Farms at Hurley Station, Phase II Project), Series 2026 of the Issuer issued, authenticated and delivered under the Indenture, which are identified as such in the Indenture.

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

“Borrower” means 4201 S 91st Avenue Owner II, LLLP, an Arizona limited liability limited partnership, and its successors and assigns.

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

“Borrower Loan Agreement” means the Borrower Loan Agreement, the form of which is attached to the Indenture as an appendix, which Borrower Loan Agreement shall be completed, executed, and delivered and become effective on the Conversion Date.

“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 signed on behalf of the Borrower by one of its officers, which certificate may designate an alternate or alternates.

“Borrower’s Obligations” means, without limitation, the obligations of the Borrower under the Loan Agreement, the Note, and the other Borrower Documents, including to (a) pay the principal of, and interest on the Note, when and as the same shall become due and payable (whether at the stated maturity thereof, on any payment date or by acceleration of maturity or otherwise), (b) pay all other amounts required by the Loan Agreement (including, without limitation, the Issuer Fees and Expenses and all indemnification payments due under the Loan Agreement), the Note, and the other Borrower Documents to be paid by the Borrower to the Issuer, as and when the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, stipulations, and agreements, express or implied, which the Borrower is required by the Loan Agreement, the Note, the Regulatory Agreement, and any of the other Borrower Documents, to perform or observe.

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

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

“Certificate of Occupancy” means the temporary or final certificate(s) of occupancy, as the case may be, issued by the City of Phoenix, Arizona, 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.

“Citibank” means Citibank, N.A., a national banking association, and its successors and assigns.

“Citibank Forward Commitment” means the commitment from Citibank pursuant to which Citibank has agreed to purchase the Governmental Lender Note on 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.

“Citibank Purchase Price” means an amount equal to the Permanent Period Amount to be funded by Citibank on the Conversion Date.

“Class B Limited Partner” means (i) 4201 S 91st Avenue Development II, LLC, an Arizona limited liability company and/or (ii) any other Person that the partners of the Borrower, with the prior written approval of the Funding Lender (or as otherwise permitted without the Funding Lender’s approval pursuant to the Borrower Loan Documents), selected to be the Class B limited partner of the Borrower.

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

“Closing Memorandum” means the closing memorandum signed by the Borrower attached to the initial Requisition delivered on or before the Closing Date.

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

“Collateral Fund” means the Collateral Fund established pursuant to the Indenture.

“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.

“Compliance Monitor” means Family Housing Resources, Inc.

“Conditions to Conversion” shall have the meaning set forth for such term in the Citibank Forward Commitment.

“Confirmation of Rating” means a written confirmation, obtained by the Borrower (at the expense of the Borrower) prior to the event or action under scrutiny, from the Rating Agency to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating of the Rating Agency with respect to all Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, or withdrawn as a result of such action or event, or an equivalent confirmation, or, if applicable, confirmation from the Rating Agency that it is no longer able to provide such a confirmation as a matter of policy or practice.

“Construction Draw Schedule” means the schedule of the disbursement of the proceeds of the Bonds as provided in an exhibit attached to the Loan Agreement, as the same may be amended from time to time with the consent of the Mortgage Lender (to the extent consent is required by the Mortgage Loan Documents).

“Construction Period” means the construction period of the Loan, which time period shall commence on the Closing Date and remain in effect to, but not including, the Conversion Date.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of July 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 Period to the Permanent Period on the Conversion Date.

“Conversion Date” means the date Citibank purchases the Governmental Lender Note upon the satisfaction of the Conditions to Conversion, as such Conversion Date is specified by Citibank in the Notice of Conversion; provided, however, the Conversion Date shall occur under the Indenture no earlier than August 1, 2028* and no later than December 1, 2029* as such date may be extended.

“Costs” with respect to the Project shall be deemed to include all items permitted to be financed under the applicable provisions of the Code and the Act, subject to the provisions of the Indenture and of the Borrower Documents.

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

“Costs of Issuance Fund” means the Costs of Issuance Fund established pursuant to the Indenture.

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

“Designated Office” of the Trustee, the Remarketing Agent or the Underwriter means, respectively, the designated corporate trust office of the Trustee at which its corporate trust business shall be administered or the office of the Remarketing Agent or the Underwriter at the respective Notice Address, or the designated corporate trust office of any successor Trustee, or at such other address as may be specified in writing by the Trustee, successor Trustee, the Remarketing Agent, or the Underwriter, as applicable, from time to time, in accordance with the Indenture.

“Dissemination Agent” means initially UMB Bank, N.A., in its capacity as dissemination agent, or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

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

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

- (a) the proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase price thereof by the Underwriter);
- (b) moneys drawn on a letter of credit;
- (c) moneys received by the Trustee representing advances to the Borrower of proceeds of the Mortgage Loan;
- (d) remarketing proceeds of the Bonds (including any additional amount paid to the Trustee as the purchase and or remarketing price thereof by the Remarketing Agent) received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, or any Affiliate of either the Borrower or the Issuer);
- (e) any other amounts, including the proceeds of any refunding bonds, for which the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be recoverable from Holders of Bonds under Section 550 of

* Preliminary; subject to change.

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 the Citibank Purchase Price received from Citibank in connection with the purchase of the Governmental Lender Note on the Conversion Date; and

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

“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.

“Facility” means a qualified residential rental facility (including improvements and facilities functionally related and subordinate thereto), which is expected to be comprised of approximately 144 units (all or a portion of which will be set aside for occupancy by low- to moderate-income tenants) situated on approximately 5.18 gross acres of real property generally located at or near 4141 South 91st Avenue, Tolleson, AZ 85353.

“Funding Loan” means the loan made pursuant to the Funding Loan Agreement.

“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.

“General Partner” means CEC-Broadway Farms II, LLC, a State of Arizona limited liability company.

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

“Governmental Lender Note” means the Governmental Lender Note attached as an exhibit to the Funding Loan Agreement, which Governmental Lender 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.

“Guarantor” means St. Charles LIHTC Investors, LLC, a Colorado limited liability company.

“Guaranty” means the Unassigned Rights Guaranty dated as of the same date as the Indenture made by the Guarantor in favor of the Issuer.

“Highest Rating Category” means, with respect to an Permitted Investment, that the Permitted 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.

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

“Indenture” means the Trust Indenture, dated as of July 1, 2026, by and between the Issuer and the Trustee, and any and all Supplements thereto.

“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.

“Initial Interest Rate” means ____ %.

“Initial Mandatory Tender Date” means August 1, 2029*.

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

“Interest Payment Date” means (a) February 1 and August 1 of each year beginning February 1, 2027* (b) each Mandatory Tender Date and (c) each Redemption 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.

“Investor Limited Partner” means CREA Broadway Farms at Hurley Station Phase II, LLC, a Delaware limited liability company, in its capacity as investor limited partner in the Borrower, its permitted successors and assigns.

“Issuer” means The Industrial Development Authority of the City of Phoenix, Arizona, and any successor to its powers and duties under the Act.

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

“Issuer Fee” means a one-time, up-front administrative fee payable by the Borrower to the Issuer on the Closing Date.

“Issuer Fees and Expenses” means (i) the Issuer Fee and (ii) any other fees, charges, costs, advances, indemnities and expenses (including attorneys’ fees and expenses), whether out-of-pocket or internal, that may be incurred at any time by the Issuer under the Indenture or under or in connection with the Documents or the Bonds, or in connection with questions or other matters arising under such documents or in connection with any federal or state tax audit, or otherwise in connection with the Bonds or the Project, plus (iii) any Late Fees incurred with respect to any of the foregoing as directed in writing by the Issuer and provided that the Trustee shall have no responsibility for tracking Late Fees or determining when a Late Fee is payable.

“Issuer Indemnified Party” or “Issuer Indemnified Parties” means the Issuer, its past, present, and future directors, members, officers, program managers, counsel, advisors, employees, agents, contractors, consultants and executive director, the City of Phoenix, its past, present, and future directors, members, officers, program managers,

* Preliminary; subject to change.

counsel, advisors, employees, agents, contractors, consultants and executive director, and the respective heirs, executors, legal representatives, successors, and assigns of any of them, whether by voluntary action of the parties or by operation of law, individually and collectively, and the State, but shall expressly exclude the Mortgage Lender.

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

“Loan” means the loan by the Issuer to Borrower in the aggregate principal amount of \$20,000,000* made by the Issuer to the Borrower evidenced by the Note, described in the Loan Agreement and made in connection with the issuance of the Bonds.

“Loan Agreement” means the Loan Agreement dated July 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 Note and the Loan Agreement.

“Local Time” means Mountain Standard Time in the State.

“Mandatory Tender Date” means each date on which all Outstanding Bonds are subject to mandatory tender as set forth in the Indenture.

“Maturity Date” means February 1, 2060*.

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

“Mortgage Lender” means UMB Bank, N.A., and any successors and assigns.

“Mortgage Loan” means the taxable construction loan to be made by the Mortgage Lender to the Borrower in the principal amount of up to \$26,341,257* with respect to the Project, as described and provided for in the Mortgage Loan Documents. The Mortgage Note will have a term of 36 months, with the right to one six-month extension, and will bear interest at ____% per annum, with no payments of principal during the term, and with all unpaid principal and interest due at maturity. This rate is estimated based on the 3-year UST weekly average yield plus ____%. Final rate will be locked post-POS and is subject to change.

“Mortgage Loan Documents” means the Mortgage Loan Security Instrument, the mortgage note, and all other documents required by the Mortgage Lender in connection with the Mortgage Loan.

“Mortgage Loan Security Instrument” means the Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of July 1, 2026, executed by the Borrower for the benefit of the Mortgage Lender, as beneficiary, securing the Mortgage Loan, as the same may be amended, supplemented or restated.

“Negative Arbitrage Account” means the Negative Arbitrage Account of the Bond Fund established pursuant to the Indenture.

* Preliminary; subject to change.

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

“Notice Address” means, in respect of a party, the applicable notice address designated pursuant to the Indenture.

“Notice of Conversion” means a written notice to be delivered no fewer than fifteen (15) days prior to the Conversion Date by Citibank to the Issuer, the Trustee, the Borrower, the Mortgage Lender and Citibank (i) stating that the Conditions to Conversion have been or are expected to be satisfied on or before the Termination Date or, if any Condition to Conversion has not been satisfied on or before the Termination Date, stating that such Condition to Conversion has been waived in writing by Citibank (if a waiver is permitted and is granted by Citibank, in its sole and absolute discretion) on or before the Termination Date and (ii) confirming the Conversion Date.

“Official Statement” means this Official Statement dated July ___, 2026, relating to the Bonds.

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

“Optional Call Date” means any day on or after August 1, 2028*.

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

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

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

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

“Partnership Agreement” means the Amended and Restated Agreement of Limited Partnership of the Borrower, dated the first day of the month the Closing Date occurs, as it may be amended in accordance with the Borrower Documents and the Mortgage Loan Documents.

“Permanent Loan Purchase Fund” means the fund established pursuant to the Indenture.

“Permanent Period” means the permanent period of the Loan, which time period shall commence on the Conversion Date and remain in effect through the remaining term of the Loan.

“Permanent Period Amount” has the meaning set forth in the Citibank Forward Commitment.

“Permitted 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

* Preliminary, subject to change.

(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.

“Person” shall include an individual, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof.

“Project” means the financing and/or refinancing, as applicable, with the proceeds of the Bonds all or a portion of the costs of: (a) the acquisition, construction, development, improvement, equipping and/or operating of a qualified multifamily residential rental facility (including improvements and facilities functionally related and subordinate thereto), which is expected to be comprised of approximately 144 affordable rental housing units (all or a portion of which will be set aside for occupancy by low- to moderate-income tenants) situated on approximately 5.18 gross acres of real property generally located at or near 4141 South 91st Avenue, Tolleson, AZ 85353 to be known as Broadway Farms at Hurley Station, Phase II (collectively, the “Facility”); (b) funding any required reserve funds; (c) paying capitalized interest on the Bonds, if any; and (d) paying fees, expenses and costs incurred in connection with the authorization, issuance and sale of the Bonds.

“Project Fund” means the Project Fund established pursuant to the Indenture.

“Qualified Project Costs” means any expenditures which (a) are incurred not more than 60 days prior to the date on which the Issuer first declared its “official intent” (within the meaning of Treasury Regulation Section 1.150-2) with respect to the Project (other than preliminary expenditures with respect to the Project in an amount not exceeding 20% of the aggregate principal amount of the Bonds); (b) are made exclusively to provide facilities and improvements that constitute part of a “qualified residential rental project” within the meaning of Section 142(d) of the Code; and (c) are properly chargeable to the Project’s capital account under general federal income tax principles or that would be so chargeable with a proper election or but for a proper election by the Borrower to deduct such expenditure. However, “Qualified Project Costs” do not include (i) issuance costs of the Bonds (within the meaning of Section 147(g) of the Code) or (ii) any fee, charge or profit payable to the Borrower or a “related person” (within the meaning of Section 144(a)(3) of the Code) of the Borrower. As used in the Indenture, the term “preliminary expenditures” includes architectural, engineering, surveying, soil testing and similar costs that were incurred prior to the commencement of construction of the Project, but does not include land acquisition, site preparation and similar costs incident to commencement of construction of the Project.

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

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

“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.

“Redemption Date” means any date hereunder on which the Bonds are subject to redemption, including (a) the Maturity Date, (b) the date of acceleration of the Bonds, or (c) otherwise, pursuant to the Indenture.

“Regulatory Agreement” means the Regulatory Agreement and Declaration of Restrictive Covenants, dated as of July 1, 2026, by and among the Issuer, the Compliance Monitor and the Borrower relating to the Bonds, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

“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 July 1, 2026, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

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

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

“Remarketing Proceeds Account” means the Remarketing Proceeds Account of the Bond Fund established pursuant to the Indenture.

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

“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.

“Revenues” means (a) the Loan Payments, (b) the Eligible Funds received by the Trustee for deposit into the Collateral Fund, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Project Fund and the Collateral Fund, and (e) all income and profit from the investment of the foregoing moneys. The term “Revenues” does not include any money or investments in the Rebate Fund, the Costs of Issuance Fund (but only to the extent such moneys are not proceeds of the Bonds), or 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.

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

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

“Special Limited Partner” means CREA SLP, LLC, a Delaware limited liability company, and its successors or assigns.

“State” means the State of Arizona.

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

“Tax Certificate” means the Tax Compliance Agreement and No Arbitrage Certificate dated the Closing Date between the Issuer and the Borrower.

“Termination Date” means August 1, 2029*, subject to extension as provided in the Citibank Forward Commitment.

“Title Company” means First American Title Insurance Company National Commercial Services.

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

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

“Trustee” means UMB Bank, N.A., a national banking association, organized and existing under the laws of the United States and authorized to accept and execute trusts of the character set out in the Indenture, and its successor or successors in the trust created by the Indenture.

“Trustee’s Fee” means the ongoing compensation and expenses payable to the Trustee as follows: (a) annual administration fees and expenses of the Trustee, for the Trustee’s ordinary fees and expenses in rendering its services under the Indenture during each twelve month period, which fee is initially equal to \$4,500 and shall be payable annually in advance on the Closing Date and each July 1 thereafter plus an acceptance fee of \$2,500 due on the Closing Date; (b) the fees and charges of the Trustee for necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture as and when the same become due, including reasonable counsel fees (including in-house counsel fees and fees prior to litigation, at trial, in insolvency proceedings or for appellate proceedings); provided, further, that the Trustee shall not be required to undertake any such extraordinary services unless provision for payment of extraordinary expenses satisfactory to the Trustee shall have been made; and (c) for purposes of the Loan Agreement, indemnification of the Trustee by the Borrower.

“Unassigned Rights” shall mean (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under the Indenture, the Loan Agreement and the Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information under the Indenture, under the Loan Agreement and under the Regulatory Agreement; (c) payment of the Issuer Fee and the right of the Issuer to receive its Issuer Fees and Expenses; (d) the Issuer’s approval rights; (e) the rights of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and enforcement rights of the Issuer in the Loan Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of the Indenture and the Loan Agreement, or the Regulatory Agreement insofar as any such amendment or modification would affect the Unassigned Rights; (k) all approval rights of the Issuer relating to rent increases as provided in the Regulatory Agreement; and (l) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under the Indenture, the Regulatory Agreement and the Loan Agreement are reserved to the Issuer, as none of these rights under the Indenture, the Regulatory Agreement or the Loan Agreement are being assigned by the Issuer to the Mortgage Lender.

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

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

* Preliminary; subject to change.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

Creation of Funds

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

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

Funds in the Costs of Issuance Fund and the Rebate Fund shall not be pledged to the payment of the Bonds and shall not be part of the Trust Estate.

Deposits into and Use of Moneys in the Bond Fund

On the Closing Date, the Trustee shall deposit the Initial Deposit, if any, into the Negative Arbitrage Account of the Bond Fund; amounts on deposit in the Bond 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 to release funds in the Negative Arbitrage Account to the Borrower upon receipt of an updated Cash Flow Projection and a Confirmation of Rating 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 Bond Fund (excluding the Negative Arbitrage Account therein), (ii) next from money on deposit in the Negative Arbitrage Account of the Bond Fund, (iii) next from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund and (iv) thereafter, from money on deposit in the Project Fund and transferred as necessary to the Bond Fund.

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

Collateral Fund; Project Fund

Upon receipt, the Trustee shall deposit into the Collateral Fund all Eligible Funds received pursuant to 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 cause Eligible Funds to be delivered to the Trustee for deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Project Costs.

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

The Trustee shall transfer money in the Collateral Fund as follows: (i) on the Conversion Date, (A) to the Bond Fund in an amount sufficient to (1) pay any accrued but unpaid interest on the Bonds and (2) to cause the partial redemption of the Bonds in an amount sufficient to reduce the outstanding principal amount of the Bonds to the Permanent Period Amount set forth in the Notice of Conversion, and (B) to or at the direction of the Mortgage Lender, in partial repayment of the outstanding principal balance of the Mortgage Loan, (ii) on a Mandatory Tender Date other than the Conversion Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent amounts on deposit in the Remarketing Proceeds Account and the Negative Arbitrage Account of the Bond Fund are insufficient therefor; and (iii) on any Redemption Date, to the Bond Fund the amount, together with amounts on deposit in the Bond Fund, necessary to pay the principal and interest due on the Bonds on such date.

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

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 Bond Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund to the Bond Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date.

Upon receipt, the Trustee shall deposit the proceeds of the Bonds (including the principal of, and premium on, the Bonds) into the Project Fund. 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 Completion Certificate is filed by the Borrower 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.

The Borrower expects that the Project will proceed substantially in accordance with the Construction Draw Schedule, except as otherwise approved by the Mortgage Lender. Each Requisition submitted to the Trustee shall evidence and request disbursements from the Project Fund, and/or the Costs of Issuance Fund.

Notwithstanding any other provision of the Indenture to the contrary, after the Closing Date the Trustee shall not disburse moneys from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until the Trustee receives satisfactory evidence that Eligible Funds in an amount equal to or greater than the requested disbursement amount (the "Collateral Deposit") 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, together with projected investment earnings thereon, will be sufficient to pay Bond Service Charges on the outstanding Bonds as and when they become due. In the event that, following receipt of the Collateral Deposit, the Trustee determines that it cannot correspondingly disburse Bond proceeds to or at the direction of the Borrower or the Mortgage Lender, the Trustee shall immediately notify the Borrower and the Mortgage Lender, of the reason for such determination and shall, immediately upon the request of the Borrower or the Mortgage Lender, return the subject Collateral Deposit to the party that deposited such Collateral Deposit with the Trustee.

The proceeds of the Bonds shall be allocated exclusively to pay costs that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 142(d) of the Code; and (ii) shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located, so that each building and the land on which it is located will have been financed twenty-five percent (25%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made

for the benefit of the Borrower and its partners and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any person, including without limitation, the Borrower, the partners of the Borrower, any other affiliate of the Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or Event of Default under the Indenture.

Upon the occurrence and continuance of an Event of Default under the Indenture because of which the principal amount for the Bonds 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 Bond Fund for payment of Bond Service Charges.

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, Citibank shall cause funds in an amount equal to the Permanent Period Amount as set forth in the Notice of Conversion 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 Bonds in a principal amount equal to the Permanent Period Amount. 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 Bond proceeds being requested for disbursement pursuant to such Requisition, as provided in the Indenture, and (iii) certification by a Borrower Representative that at least 95% of the total Costs of the Project intended to be paid with such Bond 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 Bond 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 Permitted Investments, the Trustee shall not sell or otherwise terminate such Permitted Investments prior to their stated maturity date and instead the Trustee is hereby instructed to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Costs of the Project: (a) allocate all or a portion of the Permitted Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund, and (b) transfer to the Project Fund a like amount of Eligible Funds on deposit in the Collateral Fund to be disbursed in accordance with the Indenture. The Issuer shall have no involvement or discretion with respect to the review and approval of Requisitions or the disbursement of funds from the Project Fund.

The Trustee shall not disburse money from the Project Fund, other than to pay interest and principal on the Bonds as otherwise permitted under the Indenture, unless and until 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 Bonds to be or become includible in the gross income of the owners thereof for federal income tax purposes. In accordance with the Loan Agreement, and prior to making any disbursement from the Project Fund (except to make necessary interest and principal payments 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 Bonds.

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 Bond Fund or the Collateral Fund, the Trustee shall, without further written direction, transfer from the Project Fund to the Bond Fund sufficient Eligible Funds to make such necessary interest and principal payments on each Interest Payment Date.

Pursuant to a Requisition and as permitted by the Indenture with respect to Eligible Funds funded by the Mortgage 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 Borrower, or directly to the Person to be paid pursuant to a Requisition as directed by the Mortgage Lender. Such disbursements shall be made pursuant to a Requisition and shall not be made more frequently than once per month, unless approved by the Issuer, in its sole discretion.

Subject to the Trustee's obligation to return the Eligible Funds to the Mortgage 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 Documents, which constitutes gross negligence or willful misconduct) 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 Bond 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.

Notwithstanding anything to the contrary in the Indenture or the Loan Agreement, no portion of the Bonds, the Governmental Lender Note, the Funding Loan, or the Loan shall be used to finance any "qualified facility" (as such term is defined in Section 48E(b)(3) of the Code) or any "energy storage technology" (as such term is defined in Section 48E(c)(2) of the Code) with respect to the Project.

Investment of Bond Fund, Project Fund and Collateral Fund

Money in all funds or accounts including the Bond Fund, Project Fund, and Collateral Fund shall be invested and reinvested by the Trustee, and at all times held in Permitted Investments at the written direction of the Borrower as approved by the Issuer. Written direction may include electronic direction. In the absence of written direction of the Borrower, any moneys held under the Indenture shall be invested in (i) the Morgan Stanley Institutional Liquidity Government Portfolio Participant Class #8352 (CUSIP 61747C889), (ii) or if such fund is unavailable, investments described in paragraph (b) of the definition of Permitted Investments at the written direction of the Borrower. The Trustee shall have no discretion for investing funds or advising any parties on investing funds, and is not providing investment supervision, recommendations or advice.

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

Investments of money in the Bond Fund, the Project Fund, and the Collateral Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide money to pay any amounts due on the Bonds as they become due on each Interest Payment Date, 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 Bond Fund, the Project Fund or the Collateral Fund that are not classified as Permitted Investments shall be invested in Governmental Obligations.

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

part of the Bond Fund. Following the Closing Date, at the written direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Permitted Investments upon receipt of a Cash Flow Projection.

Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Permitted Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the Initial Deposit to the Negative Arbitrage Account, if any, shall be held uninvested until the Trustee has purchased, sold or exchanged Permitted Investments.

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, and the Trustee may invest funds in its own proprietary money market funds or deposit products; provided that all such investments must be Permitted Investments.

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

If the Trustee is required to sell or otherwise dispose of any Permitted 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.

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 Permitted 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 a Permitted Investment is permitted by applicable law.

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, at the written direction of the Borrower Representative, in Governmental Obligations or in any money market or short term investment fund investing in or consisting solely of and secured by Governmental Obligations, including any such fund maintained by the Trustee or an affiliate thereof having maturities consonant with the need for funds as estimated by the Borrower. 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. 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 Bonds secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable under the Indenture by the Issuer and all fees, costs and expenses of the Trustee and the Issuer (including, without limitation, all fees, costs and expenses owed in connection with the Unassigned Rights), shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon written request of the Issuer (as directed by the Borrower) and subject to the provisions of the Indenture, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Bond Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Borrower all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Issuer.

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

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

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

The release of the obligations of the Issuer under this 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 costs, fees, 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 Bond is not paid on the date on which the same becomes due; or
- (b) Any principal of any Bond 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.

(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 Bonds 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 Investor Limited Partner by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 25% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within ninety (90) days, it shall not be an Event of Default if the Issuer, the Borrower or the Investor Limited Partner is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

If any 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 Investor Limited Partner and the Holders of the Bonds. 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 Bondholders 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 shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Investor Limited Partner and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

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

The Investor Limited Partner shall be entitled 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 Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

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 Bonds 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 Bondholders, and require the Issuer or the Borrower to carry out any agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act and the Documents, provided, however, that any claim against the Issuer shall be strictly limited to the Trust Estate;

(b) bring suit upon the Bonds; or

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

Termination of Proceedings

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

Right of Bondholders to Direct Proceedings

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust under the Indenture, or any other remedy under the Indenture or on the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Indenture and unless also the Holders of not less than 51% in principal amount of the Bonds then outstanding shall have made written request of the Trustee to do so, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted by the Indenture, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and satisfactory indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Indenture or for any other remedy under the Indenture; it being understood and intended that no one or more Holders of the Bonds secured by the Indenture shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of the Indenture, or to enforce any right under the Indenture or the Bonds, except in the manner provided in the Indenture and for the equal benefit of all Holders of Outstanding Bonds. For purposes of the foregoing sentence, the Trustee shall be deemed to have failed to act within a reasonable time if it fails to take action within 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 Bonds 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 Bonds to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and interest (solely from the Trust Estate), on each of the Bonds issued under the Indenture to the respective Holders of the Bonds at the time, place, from the source and in the manner in the Indenture and in such Bonds expressed.

Remedies Vested in Trustee

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

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.

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 first of the fees, costs and expenses of the proceedings resulting in the collection of such moneys and of the accrued fees, expenses, disbursements and advances incurred or made by the Trustee, and second to the accrued Issuer Fees and Expenses or other amounts due and owing to the Issuer or the Issuer Indemnified Parties (including, without limitation, any amounts owed in connection with the Unassigned Rights and indemnification due to the Issuer and the Issuer Indemnified Parties in accordance with the Loan Agreement), be

deposited into the Bond Fund and all moneys so deposited into the Bond Fund during the continuance of an Event of Default (other than moneys for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default, which moneys shall continue to be held for such payments) shall be applied as follows:

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

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

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

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

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

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

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

Amendments to Indenture and Loan Agreement Not Requiring Consent of Bondholders

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

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

Before the Issuer shall enter into any agreement supplemental to the Indenture pursuant to this section, there shall have been filed with the Trustee an opinion of Bond Counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be the legal, valid and binding obligation of 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 Bonds from gross income for federal income tax purposes.

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

Amendments to Indenture Requiring Consent of Bondholders

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 Bonds then outstanding shall have the right, from time to time, to consent to and approve the execution and delivery by the Issuer and the Trustee of any agreement supplemental to the Indenture as shall be deemed necessary or desirable by the Issuer and the Trustee for the purposes of modifying, altering, amending, adding to or rescinding any of the terms or provisions contained in the Indenture; provided, however, that, unless approved in writing by the Holders of all of the Bonds then Outstanding, nothing in the Indenture contained shall permit, or be construed as permitting, (i) a change in the terms of maturity of the principal of or the interest on any Outstanding Bond, or a reduction in the principal amount of any Outstanding Bond or the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge or assignment of, the Trust Estate ranking prior to or on a parity with the claim, lien, assignment or pledge created by the Indenture, or the release of the Trust Estate or any part thereof (except to the extent permitted pursuant to the Documents), or (iii) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for any action

or consent by Bondholders set forth in the Indenture, including (without limitation) that required for consent to such supplemental indentures. This section shall not limit or otherwise affect the ability of the Issuer to enter into agreements supplemental to the Indenture without the consent of the Bondholders pursuant to the Indenture.

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

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 Bonds then outstanding (or 100% if required under the Indenture) and (ii) an Opinion of Counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon adoption it will be the legal, valid and binding obligation of 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 Bonds from gross income for federal income taxes.

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

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

The Trustee shall send written notice to the Rating Agency of any amendment to the Indenture. The Trustee shall incur no liability for failure to give any such notice.

Supplemental Indentures Part of Indenture

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

Amendments to Documents Requiring Consent of Bondholders

Except as provided in the Indenture, the Issuer and the Trustee shall not consent to any amendment, change or modification of the Documents without the giving of written notice and the written approval or consent of the Holders of the Bonds at the time Outstanding given and procured as provided in the Indenture; provided, however, no such separate approval or consent shall be required in connection with the issuance of refunding bonds if any required consent of the required number of Holders to the issuance thereof shall have been previously obtained. If at any time the Issuer and the Borrower shall request 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 of the Trustee for inspection by all Bondholders.

Conversion Date

On the Conversion Date and upon the execution and delivery of the Funding Loan Agreement, Governmental Lender Note and Borrower Loan Agreement, the Indenture, the Loan Agreement and the Bonds shall be deemed amended, restated and superseded in full by the terms thereof. The requirements of the Indenture shall not apply to such amendment and restatement.

Severability

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

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 Borrower, 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 Bond Purchase Agreement to the contrary, (i) the Mortgaged Property (as defined in the Mortgage Loan Security Instrument) shall not include any portion of the Trust Estate and the Mortgage Lender shall not have any claim to or lien upon the Trust Estate under the Indenture and funds held by the Trustee under the Indenture and pledged to secure the repayment of the Bonds, 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 Trust Estate shall not include any portion of the Mortgaged Property (as defined in the Mortgage Loan Security Instrument).

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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.

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 Bonds, 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 Bonds. Such proceeds shall be disbursed to or on behalf of the Borrower as provided in the Loan Agreement.

Mortgage Loan to Borrower; Eligible Funds

Contemporaneously with the issuance of the Bonds, it is expected that the Borrower shall proceed with obtaining the Mortgage Loan from the Mortgage Lender. In particular, the Borrower will promptly take all necessary actions on its part to close the Mortgage Loan.

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall cause the Mortgage Lender, from time to time, to deliver Eligible Funds to the Trustee for deposit into the Collateral Fund to enable the Trustee to disburse an equal amount of Bond proceeds from the Project Fund as approved by the Mortgage 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 Bonds

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

amount of all Bonds tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to the Indenture.

Option to Terminate

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

Defaults Defined

The following shall be "Defaults" under the Loan Agreement and the term "Default" shall mean, whenever it is used in the Loan Agreement, 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 when due.
- (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 Borrower Tax Certificate, 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 Investor Limited Partner 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 Bonds immediately due and payable pursuant to the Indenture, by written notice to the Borrower, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable, whereupon the same shall become immediately due and payable; and

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

Any amounts collected pursuant to action taken under this section (other than sums collected for the Issuer on account of the Unassigned Rights, which sums shall be paid directly to the Expense Fund (for further remittance to the Issuer), to the Issuer, or the applicable Issuer Indemnified Party, as applicable) shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

Whenever any Default has occurred and is continuing, the Trustee may, but except as otherwise provided in the Indenture shall not be obligated to, exercise any or all of the rights of the Issuer under the Loan Agreement, upon notice as required to the Issuer. In addition, the Trustee shall have available to it all of the remedies prescribed by the Indenture. If the Trustee is not enforcing the Issuer’s rights in a manner to protect the Issuer or is otherwise taking action that brings adverse consequences to the Issuer, then the Issuer may, without the consent of the Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Unassigned Rights and to collect all sums then due and thereafter to become due to the Issuer under the Loan Agreement.

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 Regulatory Agreement or the 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 and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in this article, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in the Loan Agreement. Such rights and remedies as are given the Issuer under the Loan Agreement shall also extend to the Trustee, and the Trustee and the Holders of the Bonds, subject to the provisions of the Indenture, including, but not limited to the Unassigned Rights, 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

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.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

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

The Issuer, the Compliance Monitor and the Borrower will enter into a Regulatory Agreement and Declaration of Restrictive Covenants (the “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 Regulatory Agreement.

Representations, Covenants and Warranties of the Borrower

The Borrower will incorporate into the Regulatory Agreement, as if set forth in full therein, each of the representations, covenants and warranties of the Borrower contained in the Tax Certificate, the Borrower Loan Agreement and the Loan Agreement relating to the Project.

The Borrower will acknowledge, represent and warrant in the Regulatory Agreement that it understands the nature and structure of the transactions contemplated by the Regulatory Agreement; that it is familiar with the provisions of all of the documents and instruments to which it is a party or of which it is a beneficiary in connection with the Tax-Exempt Obligations; that it understands the financial and legal risks inherent in such transactions; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Tax-Exempt Obligations in order to provide funds to assist the Borrower in acquiring, constructing, improving, equipping and operating the Project.

Qualified Residential Rental Project

The Borrower acknowledges and agrees that the Project is to be owned, managed and operated as a “qualified residential rental project” (within the meaning of Section 142(d) of the Code) for a term equal to the Qualified Project Period. To that end, and for the term of the Regulatory Agreement, the Borrower represents, covenants, warrants and agrees as follows:

(a) The Project will be acquired, constructed, developed and operated for the purpose of providing a multifamily residential rental property. The Borrower will own, manage and operate the Project as a project to provide a multifamily residential rental property comprised of a building or structure or several interrelated buildings or structures, together with any functionally related and subordinate facilities, and no other facilities, in accordance with Section 142(d) of the Code, Section 1.103-8(b) of the Regulations and the provisions of the Act, and in accordance with such requirements as may be imposed thereby on the Project from time to time.

(b) All of the dwelling units in the Project (except for not more than two units set aside for a resident manager or other administrative use, if any) will be similarly constructed units, and, except to the extent that units constitute single-room occupancy units (within the meaning of Section 142(d)(2)(D) of the Code), each dwelling unit in the Project will contain complete separate and distinct facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities. Further, the Borrower has designed and will maintain the Project so that the dwelling units to be rented to Low-Income Tenants will be intermingled with all other dwelling units in the Project, and the tenants in such dwelling units will enjoy equal access to any and all common facilities of the Project. Notwithstanding the foregoing, a unit shall not fail to be treated as a residential unit merely because such unit is a single room occupancy unit within the meaning of Section 42(i)(3)(B)(iv) of the Code even though such housing may provide eating, cooking and sanitation facilities on a shared basis.

(c) None of the dwelling units in the Project will at any time be utilized on a transient basis or rented for a period of less than 30 consecutive days, or will ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, nursing home, hospital, sanitarium, rest home or trailer court or park; provided that the use of certain units for tenant guests on an intermittent basis shall not be considered transient use for purposes of the Regulatory Agreement. Notwithstanding the foregoing, single-room occupancy units provided under Section 42(i)(3)(B)(iv) of the Code shall not be considered to be utilized on a transient basis.

(d) No part of the Project will at any time during the Qualified Project Period be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or use, and the Borrower will not take any steps in connection with a conversion of the Project to condominium ownership during the Qualified Project Period.

(e) All of the Available Units in the Project will be available for rental during the Qualified Project Period on a continuous, "first-come, first-served" basis to members of the general public; and the Borrower will not give preference to any particular class or group in renting the dwelling units in the Project, except to the extent that dwelling units are required to be leased or rented in such a manner that they constitute Low Income Units.

(f) The Project site consists of a parcel or parcels of land that are contiguous except for the interposition of a road, street or stream, and all of the facilities of the Project comprise a single geographically and functionally integrated project for residential rental property, as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; provided, however, that this provision shall not be construed to prohibit occupancy of not more than 2 dwelling units by resident managers or maintenance personnel, any of whom may be the Borrower or agents of the Manager (if applicable).

(h) The Project is not yet constructed and, therefore, as of the Closing Date none of the residential units of the Project are occupied. Upon 10% of the residential units in the Project being occupied, the Borrower shall promptly provide written notice to the Issuer and the Compliance Monitor (i) of the exact date 10% occupancy was achieved and (ii) that the Qualified Project Period has commenced as of such date. Upon 50% of the residential units in the Project being occupied, the Borrower shall promptly provide written notice to the Issuer and the Compliance Monitor of the exact date 50% occupancy was achieved. The Borrower's failure to deliver the notices as set forth in this paragraph (h) shall not be a default under the Regulatory Agreement, provided that Borrower agrees to promptly respond to a request from either the Issuer or the Compliance Monitor requesting such notices.

Low Income Tenants; Reporting Requirements

Pursuant to the requirements of the Code, the Borrower represents, warrants and covenants as follows:

(a) During the Qualified Project Period, no less than 40% of the total number of completed units in the Project shall at all times be Low Income Units. For the purposes of this paragraph (a), a vacant unit that was most recently a Low Income Unit is treated as a Low Income Unit (as applicable) until reoccupied, other than for a temporary period of not more than 31 days, at which time the character of such unit shall be redetermined.

(b) No tenant qualifying as a Low Income Tenant upon initial occupancy shall be denied continued occupancy of a unit in the Project because, after admission, the aggregate Gross Income of all tenants in the unit occupied by such Low Income Tenant increases to exceed the qualifying limit for a Low Income Unit. However, should the aggregate Gross Income of tenants in a Low Income Unit, as of the most recent determination thereof, exceed one hundred forty percent (140%) of the then-applicable income limit for a Low Income Unit occupied by the same number of tenants, the next available unit of comparable or smaller size must be rented to (or held vacant and available for immediate occupancy by) Low Income

Tenant(s). The unit occupied by such tenants whose aggregate Gross Income exceeds such applicable income limit shall continue to be treated as a Low Income Unit for purposes of the 40% requirement of paragraph (a) above unless and until an Available Unit of comparable or smaller size is rented to persons other than Low Income Tenants.

(c) During the Qualified Project Period, the Borrower agrees to and shall obtain, complete and maintain on file Income Certifications for each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the unit, and a second Income Certification dated one year after the Low Income Tenant's initial move in date, and (ii) thereafter, an annual Income Certification with respect to each Low Income Tenant for each twelve-month period ending each December 31 (commencing the December 31 following the commencement of the Qualified Project Period). During the Qualified Project Period, the Borrower shall also deliver to the Compliance Monitor no later than the next March 31 after December 31, a certification that as of the related December 31 (a) the Project is in compliance regarding Low Income Tenants or (b) no residential unit in the Project was occupied within the preceding twelve months by a new resident whose income exceeded the limit applicable to Low Income Tenants at the time the tenant lease was entered into; provided that such certification can be provided as part of the annual summary referenced in paragraph (i) below. For any year in which the Borrower delivers the certificate as set forth in subpart (b) of the preceding sentence, the annual Income Certifications with respect to each Low Income Tenant shall not be required pursuant to Section 142(d)(3)(A) of the Code or its successor provision. The Borrower further covenants to obtain and/or provide, as applicable, such additional information as may be required in the future by the Code, the State or the Issuer, 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 Tax-Exempt obligations in order to evidence compliance therewith. In addition to the submission obligations set forth in the Regulatory Agreement, upon written request of the Issuer, the Borrower shall promptly provide copies of Income Certifications for Low Income Tenants commencing initial occupancy or re-certifications of Low Income Tenants continuing occupation of a Low Income Unit to the Compliance Monitor or the Issuer, as requested (at the Borrower's sole cost and expense).

(d) The Borrower shall make, or shall cause to be made, a good faith effort to verify 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 three most recent pay periods, (2) obtain an income tax return for the most recent tax year, (3) obtain a credit report or conduct a similar type credit search, (4) obtain an income verification from the applicant's current employer, (5) obtain an income verification from the Social Security Administration and/or the Arizona Department of Economic Security if the applicant receives assistance from either of such agencies, or (6) if the applicant is self-employed, unemployed, does not have income tax returns or is otherwise not able to reasonably provide other forms of verification as required above, obtain another form of independent verification that would, in the reasonable judgment of the Borrower, be satisfactory and will comply with the terms of the Regulatory Agreement.

(e) The Borrower will maintain, or shall cause to be maintained, complete and accurate records pertaining to the Low Income Units, and will permit, at all reasonable times and upon reasonable advance notice during normal business hours, any duly authorized representative of the Issuer, the Compliance Monitor, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(f) The Borrower will prepare and submit or cause to be prepared and submitted to the Compliance Monitor, not less than quarterly (with a summary annually as required in subsection (i) below), on or before the 15th day of each January, April, July and October, commencing on the earlier of (1) the first full quarter period after the commencement of the Qualified Project Period (which occurs in connection with the notice of 10% occupancy provided by the Borrower as described in the Regulatory Agreement) or (2) _____, 20____, a Certificate of Continuing Program Compliance executed by the Borrower in substantially the form attached to the Regulatory Agreement as an exhibit. If the Qualified Project Period has not commenced by _____, 20____, then the Borrower shall provide a certification to the Compliance Monitor

and the Issuer identifying the date on which it reasonably expects the Qualified Project Period to start and thereafter provide monthly updates to the Compliance Monitor as to the status of the commencement of the Qualified Project Period. If on any reporting date during the Qualified Project Period a Certificate of Continuing Compliance submitted to the Compliance Monitor reflects that the Project is not in compliance with the set-aside requirements set forth in paragraph (a) above, the Compliance Monitor shall give prompt notice to the Issuer of such deficiency in writing and shall request from the Borrower, and the Borrower shall promptly provide to the Compliance Monitor and the Issuer, copies of the Income Certifications of Low Income Tenants who moved into the Project and recertifications of Low Income Tenants continuing tenancy for any period requested by the Compliance Monitor and as directed by the Issuer. During the Qualified Project Period, the Borrower shall submit, or shall cause to be submitted, a completed Internal Revenue Code Form 8703 or such other annual certification as required by the Code with respect to the Project, to the Secretary of the Treasury, on or before March 31 of each year (or such other date as may be required by the Code), with a copy to the Compliance Monitor and the Issuer.

(g) For the Qualified Project Period, all tenant leases or rental agreements shall be subordinate to the Regulatory Agreement and the Mortgage Loan Security Instrument. All leases pertaining to Low Income Units shall contain clauses, among others, wherein each tenant who occupies a Low Income Unit: (i) certifies the accuracy of the statements made by such tenant in the Income Certification; (ii) agrees that the family income and other eligibility requirements shall be deemed substantial and material obligations of the tenancy of such tenant, that such tenant will comply promptly with all requests for information with respect thereto from the Borrower, the Compliance Monitor or the Issuer, and that the failure to provide accurate information in the Income Certification or refusal to comply with a request for information with respect thereto shall be deemed a violation of a substantial obligation of the tenancy of such tenant; (iii) acknowledges that the Borrower has relied on the statements made by such tenant in the Income Certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of a Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement; and (iv) agrees that the tenant's income is subject to annual certification in accordance with paragraph (c) above and that if upon any such certification the aggregate Gross Income of all tenants in such unit exceeds the applicable income limit under paragraph (b) above, the unit occupied by such tenant may cease to qualify as a Low Income Unit and such unit's rent may be subject to increase.

(h) The Borrower further covenants and agrees to prepare and submit to the Compliance Monitor and the Issuer, within 60 days prior to the last day of the Qualified Project Period, a certificate setting forth the date on which the Qualified Project Period will end, which certificate shall be in recordable form. The certificate required under this paragraph (h) shall be recorded by the Borrower or, at the direction of the Borrower, the Compliance Monitor at the expense of the Borrower. Borrower's failure to deliver the certificate as set forth in this paragraph (h) shall not be a default under the Regulatory Agreement; provided that Borrower agrees to promptly respond to a request from either the Issuer or the Compliance Monitor requesting such certificate.

(i) A Regulatory Agreement compliance review for the Issuer (at the cost and expense of the Borrower) shall be conducted annually by the Compliance Monitor who shall prepare a written report on or before August 1 of each year, commencing with the first July 1 following receipt of notice from the Borrower required by the Regulatory Agreement indicating commencement of the Qualified Project Period, which report shall describe the procedures performed by such entity or person to determine the Borrower's compliance with the terms of the Regulatory Agreement, and shall indicate whether, based on such procedures, the Borrower is and has been in compliance with the provisions described under this section for the prior 12-month period ending on each July 31. Upon receipt of a written request of the Issuer, the Compliance Monitor and/or the Borrower, as applicable, shall provide to the Issuer copies of any documents requested in order to evidence compliance with the terms of this Regulatory Agreement (at the Borrower's cost).

For purposes described under this heading, no unit occupied by a residential manager shall be treated as a rental unit during the time of such occupation.

Sale or Transfer of the Project

During the Qualified Project Period, the Borrower covenants and agrees not to voluntarily sell, transfer or otherwise dispose of the Project, or any portion thereof (other than leases for individual resident use as contemplated under the Regulatory Agreement), without providing notice to the Compliance Monitor and obtaining the prior written consent of the Issuer, which consent shall not be unreasonably withheld or delayed, and shall be given if: (a) the purchaser or transferee shall covenant to operate the Project in such a manner as to comply with the provisions of the Regulatory Agreement; (b) the Issuer and the Compliance Monitor shall have received all fees and/or expenses then currently due and payable to the Issuer and the Compliance Monitor, respectively, by the Borrower; (c) the Issuer and the Compliance Monitor shall have received on the date of any such sale, transfer or disposition (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 (including payment obligations) under the Regulatory Agreement and the Financing Documents to the same extent as the Borrower is then obligated to make such payments and perform such duties and obligations, (ii) a certificate of the Borrower to the effect that no event of default has occurred and is continuing under the Financing Documents or the Regulatory Agreement, and that the requirements of the Tax Certificate have been and continue to be met with respect to the Project, (iii) payment to the Issuer by the Borrower of a reasonable assumption fee or such other reasonable fee as may be generally in effect by the Issuer at such time, including reasonable counsel fees and expenses, (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 Tax-Exempt Obligations as excludable from gross income for federal income tax purposes, including the execution by the transferee of any document reasonably requested by the Issuer with respect to the assumption of the Borrower's obligations under the Regulatory Agreement, including without limitation an instrument of assumption hereof, (v) an opinion of counsel to the transferee addressed to the Issuer and the Compliance Monitor that the transferee has duly assumed such obligations of the Borrower under the Regulatory Agreement and that such obligations and the Regulatory Agreement are binding on the transferee, (vi) an opinion of Bond Counsel that such transfer, sale or disposition shall not adversely affect the Tax-Exempt status of the interest on the Tax-Exempt Obligations, and (vii) a Certificate of Continuing Program Compliance provided by the Borrower current as of a date no more than fifteen (15) days prior to delivery thereof; and (c) the Borrower shall pay, or cause to be paid, all costs of the transfer of title, including, but not limited to, the cost of meeting the conditions specified in this section. It is expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this section shall constitute a default hereunder and shall be ineffective to relieve the Borrower of its obligations under the Regulatory Agreement. Nothing contained in this section shall affect any provision of any other document or instrument between the Borrower and any other party which requires the Borrower to obtain the consent of such other party as a precondition to sale, transfer or other disposition of the Project. Upon any sale or other transfer or disposition which complies with the Regulatory Agreement, the Borrower shall be fully released from its obligations thereunder to the extent such obligations have been assumed by the transferee of the Project. Any transfer, sale or other disposition of the Project to any entity, whether or not affiliated with the Borrower, shall be subject to the provisions of this section, except transfers pursuant to foreclosure, deed in lieu of foreclosure or other similar remedies initiated, or consented to, by the Compliance Monitor or the Issuer. Notwithstanding anything to the contrary contained in the Regulatory Agreement, transfers of direct or indirect equity interests in the Borrower shall not require the consent of the Issuer or Compliance Monitor. Moreover, for the avoidance of doubt, nothing in the Regulatory Agreement shall require the consent of the Issuer or Compliance Monitor with respect to any encumbrance of the Project permitted under the Mortgage Loan Security Instrument or the title policy of insurance issued to the Mortgage Lender and/or the Funding Lender or in connection with any refinance of the indebtedness evidenced thereby.

Term

The Regulatory Agreement and all and each of the provisions hereof shall become effective upon its execution and delivery, shall remain in full force and effect for the periods provided therein and, except as otherwise provided in the Loan Agreement, the Borrower Loan Agreement and under this heading "Term," shall terminate in its entirety when the entirety of the Tax-Exempt Obligations are no longer Outstanding or at the end of the Qualified Project Period, if later, it being expressly agreed and understood that certain provisions thereof are intended to survive the retirement or redemption of the Tax-Exempt Obligations, discharge of the Loan or the Funding Loan and termination or defeasance of the Financing Documents, as applicable.

The terms of the Regulatory Agreement to the contrary notwithstanding, the requirements set forth therein shall terminate, without the requirement of any consent by the Issuer and the Compliance Monitor, and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer, to the extent applicable, or the Compliance Monitor from enforcing the provisions hereof, or condemnation or a similar event, but only if, within a reasonable period thereafter, either the entirety of the Tax-Exempt Obligations are retired or redeemed or amounts received as a consequence of such event are used to provide a project which meets the requirements of the Code set forth under the Regulatory Agreement. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any related person (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the Project for tax purposes. The Issuer shall not be required to consent to termination of the Regulatory Agreement for any reason other than those specified above.

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

Covenants to Run With the Land

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

Default; Enforcement

If the Borrower has knowledge of any default under the Regulatory Agreement, it shall promptly notify the Issuer, the Compliance Monitor, the Mortgage Lender and the Funding Lender in writing. If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given by the Compliance Monitor to the Borrower, the Issuer, the Mortgage Lender and the Funding Lender (or, after actual notice of such default by the Borrower), or for a period of sixty (60) days from the date the Borrower should, with reasonable diligence, have discovered such default (at which time the Borrower shall provide written notice of such default to the Issuer and the Compliance Monitor), then the Compliance Monitor, on behalf of the Issuer, shall declare an "Event of Default" to have occurred thereunder; provided further, however, that if the default is of such a nature that it cannot be corrected within sixty (60) days, such default shall not constitute an Event of Default thereunder 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 Tax-Exempt Obligations. The Issuer and the Compliance Monitor shall have the right to enforce the obligations of the Borrower under the Regulatory Agreement within shorter periods of time than are otherwise provided therein if necessary to ensure compliance with the Code.

Following the declaration of an Event of Default under the Regulatory Agreement, the Compliance Monitor, on behalf of the Issuer, subject to being indemnified to its satisfaction with respect to the costs and expenses of any

proceeding and the terms of the Financing Documents, may, at its option, or shall, at the written direction of the Issuer, take any one or more of the following steps, in addition to all other remedies provided by law or equity:

- (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 thereunder or enjoin any acts or things that may be unlawful or in violation of the rights of the Issuer or the Compliance Monitor thereunder;
- (ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project;
- (iii) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower thereunder;
- (iv) with the consent of the Mortgage Lender and the Funding Lender, declare a default under the Borrower Loan Agreement or the Loan Agreement as applicable, after which the Mortgage Lender, the Funding Lender or the Issuer, as applicable, may proceed with remedies provided therein.

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

All rights and remedies given or granted to the Issuer and the Compliance Monitor in the Regulatory Agreement are cumulative, nonexclusive, and in addition to any and all rights and remedies that the Issuer and the Compliance Monitor may have or may be given by reason of any law, statute, ordinance, document, or otherwise. Notwithstanding the availability of the remedy of specific performance provided for under this heading "Default; Enforcement," promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer shall, solely to the extent that it has actual knowledge thereof, by notice in writing to the Compliance Monitor, inform the Compliance Monitor that a violation of the Regulatory Agreement has occurred. All fees, costs and expenses (including attorneys' fees and expenses) of the Issuer and the Compliance Monitor incurred in taking any action pursuant to this section shall be the sole responsibility of the Borrower

Notwithstanding anything to the contrary therein, the Investor Limited Partner and/or the Special Limited Partner shall have the right to cure any Event of Default existing under the Regulatory Agreement or any of the other documents related to the issuance of the Tax-Exempt Obligations which right must be exercised by the later of (a) the cure period provided in the applicable document, or (b) fifteen (15) days after receipt of written notice of default by the Investor Limited Partner and/or the Special Limited Partner. For the Investor Limited Partner and/or the Special Limited Partner to exercise effectively its cure rights, the Investor Limited Partner and/or the Special Limited Partner, as applicable, must fully pay the amount past due or perform the defaulted obligations, including the payment of any amounts due for legal expense incurred in connection with the default. Notwithstanding anything to the contrary in the Regulatory Agreement or in any of the other documents related to the issuance of the Tax-Exempt Obligations, upon the occurrence of an Event of Default arising out of: (i) the bankruptcy, insolvency or assignment of assets for the benefit of creditors by the general partner and/or class B limited partner of Borrower, or (ii) the withdrawal from Borrower of the Borrower's general partner and/or class B limited partner, the Investor Limited Partner and/or the Special Limited Partner shall have the option, but not the obligation, within 45 days of receipt of written notice of such Event of Default from the Issuer or the Compliance Monitor, to cure any such default by appointing a substitute or additional general partner and/or class B limited partner that is an affiliate of the Investor Limited Partner and/or the Special Limited Partner or an entity under common control with St. Charles LIHTC Investors, LLC, or its successors, to act as such general partner and/or class B limited partner.

Amendments; Waivers

Except as provided therein, the Regulatory Agreement may be amended only by a written instrument executed by the parties hereto, or their successors in title, and duly recorded in the real property records of the County of Maricopa, Arizona and only upon (i) receipt by the Issuer and the Compliance Monitor of an opinion from Bond

Counsel that such amendment will not adversely affect the Tax-Exempt status of interest on the Tax-Exempt Obligations and (ii) the written consent of the Funding Lender (which consent shall not be unreasonably withheld).

Anything to the contrary contained in the Regulatory Agreement notwithstanding, the Issuer, the Compliance Monitor and the Borrower agree to amend the Regulatory Agreement to the extent required, in the opinion of Bond Counsel, in order that interest on the Tax-Exempt Obligations remains Tax-Exempt. The parties requesting such amendment shall notify the other parties to the Regulatory Agreement of the proposed amendment, with a copy of such proposed amendment to Bond Counsel and a request that Bond Counsel render to the Issuer and the Compliance Monitor an opinion as to the effect of such proposed amendment upon the Tax-Exempt status of interest on the Tax-Exempt Obligations. This provision shall not be subject to any provision of any other agreement requiring any party thereto to obtain the consent of any other person in order to amend the Regulatory Agreement.

Any waiver of, or consent to, any condition under the Regulatory Agreement must be expressly made in writing.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$20,000,000*

**The Industrial Development Authority of the City of Phoenix, Arizona
Multifamily Housing Revenue Bonds
(Broadway Farms at Hurley Station, Phase II Project),
Series 2026**

This Continuing Disclosure Agreement, dated as of July 1, 2026 (this “Continuing Disclosure Agreement”), is executed and delivered by 4201 S 91st Avenue Owner II, LLLP, an Arizona limited liability limited partnership (the “Borrower”), and UMB Bank, N.A., a national banking association, in its capacity as dissemination agent (the “Dissemination Agent”), for the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of July 1, 2026 (the “Indenture”) between The Industrial Development Authority of the City of Phoenix, Arizona (the “Issuer”) and UMB Bank, N.A., a national banking association, in its capacity as trustee (the “Trustee”). Pursuant to the Indenture and the Loan Agreement, dated as of July 1, 2026, between the Issuer and the Borrower (the “Loan Agreement”), the Dissemination Agent and the Borrower covenant and agree as follows:

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

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

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

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

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

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

“*Dissemination Agent*” shall mean UMB Bank, N.A., a national banking association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

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

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

* Preliminary; subject to change.

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

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

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

Section 3. Provision of Annual Reports.

(a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower's fiscal year, commencing with the fiscal year ending on December 31, 2026, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

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

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

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

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

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

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

Section 5. Reporting of Listed Events.

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

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

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

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

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice by email. While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (a)(i), (iii) (solely with respect to funds held by the Trustee), (iv), (v), (vii), (viii), (ix), (x) and (xiv) above upon the Trustee obtaining actual knowledge of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (a)(i) - (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 (a)(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 Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

(c) Whenever the Borrower obtains knowledge of the occurrence of a potential Listed Event, the Borrower shall, within five (5) Business Days of obtaining such knowledge and in any event no more than eight (8) Business Days after the occurrence of such event, determine if such event is in fact a Listed Event that is required by the Rule to be disclosed and provide the Dissemination Agent with written notice and 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 (c) of this Section 5 or otherwise, and is instructed in writing by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

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

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

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

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

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

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

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

Section 9. Reserved.

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

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

(a) This Continuing Disclosure Agreement governs the Borrower's direction to the Dissemination Agent with respect to information to be 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 protection 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 Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Listed Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The 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. 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 and defeasance, redemption or payment of the Bonds.

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

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

(d) The Dissemination Agent shall be entitled to fees for its services hereunder and reimbursement for its expenses incurred in connection with this Continuing Disclosure Agreement. All such fees and expenses shall be payable by the Borrower upon delivery of an invoice therefor.

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:

4201 S 91st Avenue Owner II, LLLP
c/o St. Charles Town Company
2368 15th Street, Suite B
Denver, CO 80202
Attention: Jordan Zielinski
Email: jzielinski@stcharlestown.com

If to the Dissemination Agent:

UMB Bank, N.A.
2777 East Camelback Road, Suite 350
Phoenix, AZ 85016
Attention: John Kim
Email: john.kim@umb.com

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

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 Bonds. If such termination occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

Section 15. Indemnification. 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 SHALL INDEMNIFY AND HOLD HARMLESS THE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, REASONABLE COSTS AND EXPENSES WHATSOEVER (INCLUDING ATTORNEY FEES) WHICH SUCH INDEMNIFIED PARTY MAY INCUR BY REASON OF OR IN CONNECTION WITH THE DISSEMINATION AGENT'S PERFORMANCE UNDER THIS CONTINUING DISCLOSURE AGREEMENT; PROVIDED THAT THE BORROWER SHALL NOT BE REQUIRED TO INDEMNIFY THE DISSEMINATION AGENT FOR ANY CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, DIRECTLY CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE DISSEMINATION AGENT IN SUCH DISCLOSURE OR INFORMATION HEREUNDER. 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. THE OBLIGATIONS OF THE BORROWER UNDER THIS SECTION SHALL SURVIVE RESIGNATION OR REMOVAL OF THE DISSEMINATION AGENT, TERMINATION OF THIS CONTINUING DISCLOSURE AGREEMENT, AND THE DEFEASANCE, REDEMPTION OR PAYMENT OF THE BONDS.

Section 16. 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.

4201 S 91ST AVENUE OWNER II, LLLP,
an Arizona limited liability limited partnership

By: 4201 S 91st Avenue Development II, LLC,
an Arizona limited liability company
Its: Authorized Representative

By: _____
Juan Salgado
Chief Executive Officer

[Counterpart Signature Page to Continuing Disclosure Agreement]

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

\$20,000,000*

**The Industrial Development Authority of the City of Phoenix, Arizona
Multifamily Housing Revenue Bonds
(Broadway Farms at Hurley Station, Phase II Project),
Series 2026**

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Broadway Farms at Hurley Station Phase II
Address:	4141 South 91st Avenue, Tolleson, AZ 85353
Number of Units:	144

INFORMATION ON THE BONDS

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

OPERATING HISTORY OF THE PROJECT

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

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

¹ Excludes depreciation and other non-cash expenses.

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

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

* Preliminary; subject to change.

AUDITED FINANCIAL STATEMENTS

_____ Attached

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

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

EXHIBIT B

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

Name of Issuer: The Industrial Development Authority of the City of Phoenix, Arizona

Name of Bond Issue: Multifamily Housing Revenue Bonds (Broadway Farms at Hurley Station, Phase II Project), Series 2026

Name of Borrower: 4201 S 91st Avenue Owner II, LLLP

CUSIP: _____

Date of Issuance: July __, 2026

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

DATED: _____

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

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

Name of Issuer: The Industrial Development Authority of the City of Phoenix, Arizona

Name of Bond Issue: Multifamily Housing Revenue Bonds (Broadway Farms at Hurley Station, Phase II Project), Series 2026

Name of Borrower: 4201 S 91st Avenue Owner II, LLLP

Name of Project: Broadway Farms at Hurley Station Phase II

Address of Project: 4141 South 91st Avenue, Tolleson, AZ 85353

Date of Issuance: July __, 2026

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of July 1, 2026, between the above-referenced borrower (the “Borrower”) and UMB Bank, N.A., 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:

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$20,000,000*

**The Industrial Development Authority of the City of Phoenix, Arizona
Multifamily Housing Revenue Bonds
(Broadway Farms at Hurley Station, Phase II Project),
Series 2026**

The undersigned hereby provides notice to UMB Bank, N.A., a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility to be known as Broadway Farms at Hurley Station Phase II (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of July 1, 2026, between The Industrial Development Authority of the City of Phoenix, Arizona (the “Issuer”) and UMB Bank, N.A., a national banking association, as trustee (the “Trustee”), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

4201 S 91ST AVENUE OWNER II, LLLP,
an Arizona limited liability limited partnership

By: 4201 S 91st Avenue Development II, LLC,
an Arizona limited liability company
Its: Authorized Representative

By: _____
Juan Salgado
Chief Executive Officer

* Preliminary; subject to change.

ATTACHMENT

Certificate of Occupancy

APPENDIX F

FORM OF BOND COUNSEL OPINION

July __, 2026

The Industrial Development Authority
of the City of Phoenix, Arizona
Phoenix, Arizona

UMB Bank, N.A., as Trustee
Phoenix, Arizona

Re: The Industrial Development Authority of the City of Phoenix, Arizona Multifamily Housing Revenue Bonds (Broadway Farms at Hurley Station, Phase II Project), Series 2026

Ladies and Gentlemen:

We have served as Bond Counsel in connection with the issuance and sale by The Industrial Development Authority of the City of Phoenix, Arizona (the “Issuer”) of its Multifamily Housing Revenue Bonds (Broadway Farms at Hurley Station, Phase II Project), Series 2026, dated the date hereof (the “Bonds”). The Issuer issued the Bonds pursuant to the Industrial Development Financing Act, A.R.S. § 35-701 et seq. (as amended, the “Act”), and pursuant to the terms of a Trust Indenture dated as of July 1, 2026 (the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”), and a Resolution duly adopted by the Issuer on April 23, 2026 (the “Bond Resolution”). Capitalized terms used herein which are not otherwise defined shall have the meanings ascribed thereto in the Indenture.

The Bonds are being issued for purposes of making a loan to 4201 S 91st Avenue Owner II, LLLP, an Arizona limited liability limited partnership (the “Borrower”), under the Loan Agreement, dated as of July 1, 2026 (the “Loan Agreement”), between the Issuer and the Borrower, for the purpose of financing a portion of the cost of: (a) the acquisition, construction, development, improvement, equipping and/or operating of a qualified residential rental facility (including improvements and facilities functionally related and subordinate thereto), which is expected to be comprised of approximately 144 units located at 4141 South 91st Avenue, Tolleson, Arizona (collectively, the “Facility”); (b) funding any required reserve funds; (c) paying capitalized interest on the Bonds, if any; and (d) paying fees, expenses and costs incurred in connection with the authorization, issuance and sale of the Bonds (collectively, the “Project”). The Borrower’s obligation to make payments under the Loan Agreement is evidenced by a Promissory Note dated the date of the Loan Agreement (the “Note”) from the Borrower to the Issuer, which the Issuer has assigned to the Trustee.

The Bonds are secured by the Indenture, which assigns to the Trustee, as security for the Bonds, (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 Trust Estate, (ii) all right, title and interest of the Issuer in and to the 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 provided that Loan proceeds become part of the Trust Estate concurrently with the Trustee’s corresponding disbursement of Bond proceeds to or at the direction of the Mortgage Lender in accordance with the Indenture) 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 (but only to the extent such moneys are not proceeds of the Bonds), the and the Rebate Fund), (iv) all right, title and interest of the Issuer in and to, and remedies under, the Loan Agreement and (v) all funds, moneys and securities and any and all other rights and interests in property whether tangible or intangible from time to time by delivery or by writing of any kind, conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the Indenture for the Bonds by the Issuer or by anyone on its behalf or with its written consent to the Trustee, which is authorized 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 (collectively, the “Trust Estate”). Payments with respect to the principal of and interest on the Bonds are payable solely from the Trust Estate.

The use and operation of the Project are subject to the provisions of a Regulatory Agreement and Declaration of Restrictive Covenants dated as of July 1, 2026 (the “Regulatory Agreement”), among the Borrower, the Issuer and the Compliance Monitor. The Regulatory Agreement requires, among other things, that the Project be operated as a “qualified residential rental project” within the meaning of, and for the period required by, Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”).

In connection with this opinion, we have examined (a) the Constitution of Arizona, (b) the applicable laws of (i) the State of Arizona (the “State”), including, without limitation, the Act, and (ii) the United States of America, including without limitation, the Code, and (c) copies of proceedings and other documents relating to the sale and issuance of the Bonds by the Issuer, including the Bond Resolution, as we have deemed necessary to render the opinions contained herein.

As to questions of fact material to our opinion, we have relied upon, and are assuming the accuracy of, certifications and representations of the Issuer, the Borrower, officers of the Borrower and other public officials and certain other third parties contained in certificates and other documents delivered at closing, including, without limitation, certifications as to the use of proceeds of the Bonds, without undertaking to verify them by independent investigation.

We have assumed that all signatures on documents, certificates and instruments examined by us are genuine, all documents, certificates and instruments submitted to us as originals are authentic and all documents, certificates and instruments submitted to us as copies conform to the originals. In addition, we have assumed for purposes of this opinion that all documents, certificates and instruments relating to this financing have been duly authorized, executed and delivered by all parties other than the Issuer, and we have further assumed for purposes of this opinion the due organization, existence and powers of such other parties other than the Issuer.

Based on the foregoing, we are of the opinion that, under current law:

1. The Issuer is duly organized as a nonprofit corporation, is designated as a political subdivision under the laws of the State, and has all requisite power and authority under the Act (i) to adopt the Bond Resolution, enter into the Indenture and issue the Bonds pursuant thereto; (ii) to enter into the Loan Agreement for the purpose of loaning funds to the Borrower to finance the Project; (iii) to enter into the Tax Certificate and the Regulatory Agreement to facilitate compliance by the Borrower with the Code; and (iv) to sell and deliver the Bonds.
2. The Indenture, the Loan Agreement, the Tax Certificate, the Regulatory Agreement and the Bond Purchase Agreement dated July __, 2026, among the Issuer, the Borrower and Stifel, Nicolaus & Company, Inc. have been duly authorized, executed, and delivered by the Issuer, constitute valid and binding obligations of the Issuer, and are enforceable in accordance with their respective terms.
3. The Indenture creates a valid pledge, to secure the payment of the principal of, premium, if any, and interest on the Bonds, of the Revenues and any other amounts held in any fund or account established pursuant to the Indenture, excepting only moneys on deposit in the Rebate Fund, subject to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture.
4. The Bonds have been duly issued by the Issuer in accordance with applicable law and are valid and binding special limited obligations of the Issuer, the principal of, premium, if any, and interest on which are payable solely from the revenues and other moneys of the Issuer pledged therefor pursuant to the Indenture. The Bonds are enforceable in accordance with their terms. The Bonds are not secured by an obligation or pledge of any moneys raised by taxation and do not constitute an indebtedness, liability, general, special or moral obligation or a pledge or loan of the faith and credit of the Issuer, the City, the State, or any other political subdivision thereof.
5. Under current law, interest on the Bonds (a) is excludable from gross income for purposes of federal income taxation (except during any period while the Bonds are held by a “substantial user” of the Project or a “related

person” of a substantial user within the meaning of Section 147(a) of the Code) and (b) is not a specific item of tax preference for purposes of the federal alternative minimum tax on individuals. However, such interest is included in the “adjusted financial statement income” (as defined in Section 56A of the Code) of certain corporations in determining the applicability and amount of the federal corporate alternative minimum tax imposed under Section 55(b) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

In delivering this opinion, we are assuming continuing compliance with the Covenants (as defined below) by the Issuer and the Borrower, so that interest on the Bonds will remain excludable from gross income for federal income tax purposes. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, restrictions on the use, expenditure and investment of the proceeds of the Bonds and the use of the property financed by the Bonds, limitations on the source of the payment of and the security for the Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Bonds to the United States Treasury. The Indenture, the Loan Agreement, the Tax Certificate, and the Regulatory Agreement delivered by the Issuer and the Borrower at closing contain covenants (the “Covenants”) with which the Issuer and the Borrower have agreed to comply. Failure by the Issuer or the Borrower to comply with their respective Covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Bonds from becoming includable in gross income for federal income tax purposes. Compliance by the Issuer with its respective Covenants does not require the Issuer to make any financial contribution for which it does not receive funds from the Borrower.

We have no responsibility to monitor compliance with the Covenants after the date of issue of the Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Indenture, the Loan Agreement and the Tax Certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. We express no opinion concerning any effect on the excludability of interest on the Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than this firm.

6. Interest on the Bonds is not subject to taxation as income by the State of Arizona.

Except as stated in Paragraphs 5 and 6 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for federal income tax purposes of interest on the Bonds.

The foregoing opinions are qualified to the extent that the enforceability of the Bonds, the Indenture, the Loan Agreement, the Tax Certificate, the Regulatory Agreement, and the other instruments enumerated above may be subject to valid bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt and other laws affecting creditors’ rights and laws affecting the remedies for the enforcement of the rights and security provided for therein, including the remedy of specific performance, and that their enforcement may also be subject to the exercise of the sovereign police powers of the State, or its governmental bodies, and the exercise of judicial discretion in appropriate cases. We have assumed for purposes of this opinion the due authorization, execution and delivery by, and enforceability against, the Trustee of the Indenture. We also express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Bonds, the Indenture, the Loan Agreement, the Regulatory Agreement, and the other instruments enumerated above. Finally, we undertake no responsibility for the accuracy, completeness or fairness of any offering material relating to the Bonds and express no view herein with respect thereto.

Our services as Bond Counsel to the Issuer have been limited to rendering the foregoing opinion based on our review of such legal proceedings and other documents as we deem necessary to approve the validity of the Bonds and the income tax status of the interest on them and the enforceability of the Indenture and the Loan Agreement. We express no opinion as to the business or financial resources of the Issuer or the Borrower or the ability of the Issuer or the Borrower to provide for the payment of the Bonds.

This opinion is delivered solely for the benefit of the addressee hereof. It may not be relied upon by any other person, in whole or in part, without our prior written consent. The opinions set forth herein are made as of the date hereof, and we assume no obligation to supplement this opinion letter if any applicable laws change after the date hereof or if we become aware after the date hereof of any facts that might change the opinions expressed herein.

Very truly yours,

WOMBLE BOND DICKINSON (US) LLP