

NEW ISSUE - BOOK ENTRY ONLY

RATING: Moody's: "Aa1"
See "RATING" herein

In the opinion of Bond Counsel, which is based on existing law and assumes continued compliance by the Agency and the Borrowers with certain covenants to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation (except for any owner who is a "substantial user" of a Project or a "related person" of a "substantial user" (as such terms are defined in the Code)). Bond Counsel is also of the opinion that interest on the Bonds is not treated as a preference item for purposes of computing the alternative minimum tax imposed by the Code. Furthermore, in the opinion of Bond Counsel, based on existing law, interest on the Bonds will be exempt from all State of North Carolina income taxes. See "TAX TREATMENT" herein.

\$48,474,000*

**NORTH CAROLINA HOUSING FINANCE AGENCY
MULTIFAMILY HOUSING REVENUE BONDS
(HARMONY HOUSING DEVELOPMENT LANDURA PORTFOLIO), SERIES 2025**

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

Optional Call Date: February 1, 2027*
Initial Mandatory Tender Date: February 1, 2029*
Maturity Date: February 1, 2030*
CUSIP: _____

The Bonds will be issued under the provisions of the Trust Indenture dated as of December 1, 2025 (the "Indenture"), between the North Carolina Housing Finance Agency (the "Agency") and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"). The Bonds will be issued for the purpose of providing financing to the Borrowers (as defined herein) for a portion of the costs of acquiring, rehabilitating, equipping and otherwise improving 10 separate multifamily housing facilities described herein (each a "Project" and collectively, the "Projects") located in the State of North Carolina (the "State"), to be occupied, to the extent required by federal tax law, and state law by persons or families of low and moderate income. See "THE PROJECTS" herein.

The Bonds will bear interest at the Initial Interest Rate indicated above (the "Initial Interest Rate") from their date to but not including the Initial Mandatory Tender Date indicated above (the "Initial Mandatory Tender Date"), payable on each February 1 and August 1, commencing August 1, 2026*. See "THE BONDS" herein. The Bonds will be issued as fully registered bonds in book entry form and book entry interests in the Bonds will be available for purchase in principal amounts of \$5,000 or any integral multiple of \$1,000 in excess thereof. Owners of book entry interests in the Bonds will not receive physical delivery of bond certificates. The Depository Trust Company, Brooklyn, New York ("DTC") will act as a securities depository for the Bonds. DTC, or its nominee, will receive all payments with respect to the Bonds from the Trustee. DTC is required by its rules and procedures to remit such payments to participants in DTC for subsequent disbursement to the owners of book entry interests. See "THE BONDS—Book Entry System" herein.

The Bonds, when, as and if issued will be special obligations of the Agency, payable solely from the revenues and other moneys assigned by the Indenture to secure that payment, which include the payments required to be made pursuant to a Loan Agreement between the Agency and the Borrowers (the "Bond Loan Agreement") dated as of December 1, 2025.

The Bonds are subject to redemption prior to their stated maturity. See "THE BONDS — Redemption of Bonds" herein.

The Bonds are subject to mandatory tender for purchase on the Initial Mandatory Tender Date. See "THE BONDS — Mandatory Tender" herein. 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.

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

THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE AGENCY, PAYABLE SOLELY OUT OF THE REVENUES, RECEIPTS AND OTHER MONIES PLEDGED THEREFOR UNDER THE INDENTURE. THE BONDS SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF NORTH CAROLINA OR OF ANY POLITICAL SUBDIVISION THEREOF OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY SUCH POLITICAL SUBDIVISION, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES OR ASSETS OF THE AGENCY PLEDGED UNDER THE INDENTURE. THE AGENCY SHALL NOT BE OBLIGATED TO PAY THE BONDS NOR THE INTEREST THEREON EXCEPT FROM THE PLEDGED REVENUES AND OTHER FUNDS PLEDGED UNDER THE INDENTURE AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. THE AGENCY HAS NO TAXING POWERS.

The Bonds are offered, subject to prior sale, when, as and if issued by the Agency and accepted by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), subject to, among other things, the approving opinion of Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrowers by their counsel, Blanco Tackabery & Matamoros, P.A., Winson-Salem, North Carolina. It is expected that the Bonds will be available for delivery in definitive form on or about December __, 2025 through the services of DTC against payment therefor.

STIFEL

The date of this Official Statement is December __, 2025.

* Preliminary; subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the cover hereof. No person has been authorized 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. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and expression of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor the sale of any of the Bonds shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

Information herein has been obtained from the Agency (only as to the Sections labeled “THE AGENCY” and “LITIGATION” as it pertains to the Agency) and the Borrowers and other sources believed to be reliable, but it is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter.

The Agency has not confirmed, and assumes no responsibility for, the accuracy, completeness, sufficiency or fairness of any statements in this Official Statement or any amendments thereof or supplements thereto, other than in the Sections labeled “THE AGENCY” and “LITIGATION” as it pertains to the Agency, and or in any reports, financial information, offering or disclosure documents or other information relating to the Underwriter, the Projects, the Borrowers, or the history, businesses, properties, organization, management, financial condition, market area or any other matter relating to the Borrowers or contained otherwise in this Official Statement.

The Trustee has neither reviewed nor participated in the preparation of this Official Statement, except for the contents of the Section labeled “THE TRUSTEE.”

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

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Upon issuance, the Bonds will not be registered by the Agency under the Securities Act of 1933, as amended, or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or, other than the Agency (to the extent described herein) approved the Bonds for sale.

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

North Carolina Housing Finance Agency
Raleigh, North Carolina

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Bond Counsel

Womble Bond Dickinson (US) LLP
Raleigh, North Carolina

Underwriter's Counsel

Tiber Hudson LLC
Washington, D.C.

Trustee

The Bank of New York Mellon Trust Company, N.A.
Jacksonville, Florida

TABLE OF CONTENTS

	Page
INTRODUCTION	1
THE AGENCY	2
PLAN OF FINANCING	3
THE PROJECTS.....	6
THE PRIVATE PARTICIPANTS.....	9
THE BONDS	10
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	16
THE TRUSTEE	17
CERTAIN HOLDERS' RISKS	17
LITIGATION.....	20
UNDERWRITING	20
TAX TREATMENT	21
LEGAL MATTERS.....	23
RATING	23
RHS REQUIREMENTS TO CONTROL.....	23
CONTINUING DISCLOSURE.....	24
FINANCIAL ADVISOR	25
MISCELLANEOUS	25
APPENDIX A DEFINITIONS OF CERTAIN TERMS	
APPENDIX B FORM OF BOND COUNSEL OPINION	
APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE	
APPENDIX D SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT	
APPENDIX E SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENTS	
APPENDIX F FORM OF CONTINUING DISCLOSURE AGREEMENT	

OFFICIAL STATEMENT

\$48,474,000*

**NORTH CAROLINA HOUSING FINANCE AGENCY
MULTIFAMILY HOUSING REVENUE BONDS
(HARMONY HOUSING DEVELOPMENT LANDURA PORTFOLIO),
SERIES 2025**

INTRODUCTION

This Official Statement, including the Appendices, is furnished in connection with the original issuance and sale by the North Carolina Housing Finance Agency (the “Agency”) of the Bonds identified on the cover page hereof (the “Bonds”). The Bonds are being issued by the Agency pursuant to a Trust Indenture (the “Indenture”) dated as of December 1, 2025 between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the Bond Resolution adopted by the Board of the Agency on December 11, 2025 (the “Bond Resolution”) and Chapter 122A of the General Statutes of North Carolina, as amended (the “Act”). The Trustee is expected to also serve as Registrar. Capitalized terms used but not otherwise defined herein are defined in Appendix A.

The Agency will loan the proceeds of the sale of the Bonds to (1) New Courtyard I, LLC, (2) New Courtyard II, LLC, (3) New Deer Park, LLC, (4) New Donnell Villas, LLC, (5) New Edgewood Place, LLC, (6) New Kensington Park, LLC, (7) New Laurel Glen, LLC, (8) New Pender Square, LLC, (9) New Windemere, LLC and (10) New Woods, LLC, each a North Carolina limited liability company (each a “Borrower” and collectively, the “Borrowers”), pursuant to a Loan Agreement (the “Bond Loan Agreement”), dated as of December 1, 2025, between the Agency and the Borrowers to pay a portion of the costs of acquiring, rehabilitating, equipping and otherwise improving 10 separate multifamily housing facilities described herein (each, a “Project” and collectively, the “Projects”), to be owned by the Borrowers. The Borrowers are “related” through a common interest in their sole member, but each Borrower has legal title only to the applicable Project as set forth herein and has no ownership interest in any of the other Projects. See “THE PROJECTS” and “THE PRIVATE PARTICIPANTS” herein. The Bond Loan Agreement, except for Unassigned Agency’s Rights, will be assigned without recourse by the Agency to the Trustee.

The Bonds are special obligations of the Agency, and the principal of and interest thereon will be payable solely from the revenues and other moneys assigned by the Indenture to secure such payment. **At all times the Bonds will be secured by Eligible Investments and other Eligible Funds sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of any Mandatory Tender Date or any redemption date, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.**

Each Project is subject to a separate Land Use Restriction Agreement (each, a “Land Use Restriction Agreement” and collectively, the “Land Use Restriction Agreements”) dated as of December 1, 2025, by and among the related Borrower, the Agency and the Trustee. The Land Use Restriction Agreements require that at least 40% of completed units of each Project be occupied by persons or families having incomes at or below 60% of area median gross income during the longer of the Qualified Project Period or as long as any of the Bonds remain outstanding, in accordance with Section 142(d) of the Code. Failure to comply with these requirements could result in the loss of the exclusion of interest on the Bonds from gross income for federal tax purposes of interest on the Bonds retroactive to their date of issuance.

* Preliminary; subject to change.

See “TAX TREATMENT” and “APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENTS.” In addition to the rental restrictions imposed upon the Projects by the Land Use Restriction Agreements, each Project will be further encumbered by a tax credit restrictive covenant (the “Tax Certificate”), to be executed by the related Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be granted for the Projects and in compliance with the requirements of Section 42 of the Code. See “THE PROJECTS” and “THE PRIVATE PARTICIPANTS” herein.

Brief descriptions of the Agency, the Projects, the Borrowers, the use of proceeds of the Bonds and the Bonds together with summaries of the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreements are provided below. All information with respect to the Borrowers and the Projects contained in this Official Statement has been furnished by the Borrowers. The descriptions and summaries of the Bond Loan Agreement, the Indenture and the Land Use Restriction Agreements and other documents contained herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to those documents, and all references to the Bonds are qualified in their entirety by the definitive forms thereof included in the Indenture. See “MISCELLANEOUS” for the availability of those documents.

THIS OFFICIAL STATEMENT DESCRIBES THE BONDS FROM THE DELIVERY DATE TO THE INITIAL MANDATORY TENDER DATE. A NEW OFFERING DOCUMENT IS REQUIRED TO BE USED TO OFFER THE BONDS AFTER THE INITIAL MANDATORY TENDER DATE.

THE AGENCY

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

Organization and Purposes

The Agency was created in 1973 by the Act as a body politic and corporate and as an instrumentality of the State. It is positioned within the Office of State Budget and Management for financial reporting and budgetary purposes, and it is managed solely by its Board of Directors (the “Board”). The Executive Director is appointed by the Board subject to the approval of the Governor. The Executive Director appoints all other employees subject to an organization chart which is approved by the Board. All employees of the Agency are exempt from the North Carolina Human Resources Act, but they are considered State employees for certain purposes. They receive the State employee benefits package and participate in the Teachers' and State Employees' Retirement System of North Carolina.

The Agency, like all other State agencies, is required to submit its operating budget to the Office of State Budget and Management. Appropriations, if any, from the North Carolina General Assembly to the Agency are credited to the Agency by the Office of State Budget and Management.

The Agency makes available annual audited financial statements to the Governor, the State Treasurer, the State Auditor, the Finance Committee of the Senate, the Finance Committee of the House of Representatives, the Commission, the Advisory Budget Commission, and the Office of State Budget and Management.

Board of Directors

The Board is constituted with thirteen members. The General Assembly appoints eight directors, four upon the recommendation of the Speaker of the House of Representatives (at least one of whom has had experience with a mortgage-servicing institution and one of whom is experienced as a licensed real estate broker), and four upon the recommendation of the President of the Senate (at least one of whom is experienced with a savings and loan institution and one of whom is experienced in home building). The Governor appoints four of the directors of the Agency (one of such appointees is required to be experienced in community planning, one in subsidized housing management, one in public housing policy, and one in the manufactured housing industry). The twelve members so selected elect a thirteenth member. The Governor designates a chairman from among the members of the Board. Members of the Board and officers of the Agency continue in office until their successors are appointed.

PLAN OF FINANCING

The following information concerning the plan of financing has been provided by representatives of the Borrowers and has not been independently confirmed or verified by either the Underwriter or the Agency. 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 plan of financing in connection with the Bonds is estimated by the Borrowers as follows:

Sources of Funds*

Bond Proceeds	\$48,474,000
Subordinate 515 Loan Proceeds	12,389,163
RD 538 Loan Proceeds	52,552,000
Tax Credit Equity	28,842,204
Deferred Developer Fee	4,347,064
FARHH Loans	1,300,000
Replacement Reserves	1,024,000
Bond Reinvestment Proceeds	6,180,444
GP Equity	<u>2,885</u>
Total	<u>\$155,111,760</u>

Uses of Funds*

Acquisition Costs	\$25,047,568
Rehabilitation Costs	37,988,319
Financing Fees and Expenses	4,322,681
Developer Fees	9,362,943
Payment of Bond Principal	48,474,000
General Contractor Costs	6,306,074
Contingency	4,429,444
Architecture & Engineering	1,048,119
Third-Party Reports	484,587
Soft Costs	1,075,877
Capitalized Interest Reserves	11,133,825
Reserves & Escrows	<u>5,438,323</u>
Total	<u>\$155,111,760</u>

* Preliminary; subject to change.

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

The Subordinate 515 Loans; Rental Assistance Agreements. All of the Projects are presently encumbered by a subordinate loan (each, a "Subordinate 515 Loan") made under the Rural Housing Service ("RHS") of the United States Department of Agriculture ("USDA") Section 515 program. At closing, the Subordinate 515 Loans will be modified to provide for a 30-year term (with a 50-year amortization) and an effective interest cost of 1% per annum, after payment of an interest subsidy from the Rural Development ("RD") office of USDA.

Each Borrower is expected to enter into a Rental Assistance Agreement with RD that will provide for rental subsidies to qualifying tenants in the related Project.

538 Guarantee Loans. At closing, all of the Borrowers will have received a loan (each, a "538 Guarantee Loan") made under the USDA Section 538 program. The obligation to repay each 538 Guarantee Loan will be set forth in a promissory note (each, a "538 Note") from the Borrower to Greystone Servicing Company LLC, a Delaware limited liability company (the "Lender"). Each 538 Note will have a term of 40 years. Each 538 Note will be secured by a senior mortgage against the corresponding Project in favor of the Lender. Each 538 Guarantee Loan is guaranteed by RD.

The Tax Credit Equity. In addition to the proceeds of the Bonds, the Projects will be financed with federal low income housing tax credit equity (the "Tax Credit Equity"), which will pay for the costs of issuance and a portion of several other costs of the Project. Greystone RE Capital MTE 11 LLC, a Delaware limited liability company (the "Investor Member"), will own a 99.99% partnership interest in Landura Portfolio, LLC, a North Carolina limited liability company (the "Sole Member"), which is the sole member of each Borrower. In connection with this interest, the Tax Credit Equity is expected to be approximately \$28,842,204*. 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 Agency nor the Underwriter makes any representation as to the availability of such funds.

Deferred Developer Fee. The Projects will also utilize a deferred developer fee in the amount of \$4,347,064* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Projects.

The FARHH Loans. At closing, Foundation for Affordable Rental Housing Holdings Inc., a Delaware non-stock, non-profit corporation (the "Foundation"), will make loans for the purpose of funding pre-development, acquisition, renovation, site development, construction, financing and/or other soft costs associated with the rehabilitation (the "FARHH Loans") to each of the following Borrowers: New Courtyard I, LLC, New Courtyard II, LLC, New Deer Park, LLC, New Donnell Villas, LLC, New Edgewood Place, LLC, New Laurel Glen, LLC, New Pender Square, LLC, New Windemere, LLC, and New Woods, LLC in the aggregate principal amount of \$1,300,000*. The obligation to repay each FARHH Loan will be set forth in a promissory note (each, a "FARHH Note") from the borrower to the Foundation. Each FARHH Note will have a term of 40 years and will be secured by a subordinate mortgage against the corresponding Project in favor of the Foundation.

* Preliminary; subject to change.

Allocated Amounts

Bond proceeds and certain other sources of funds are expected to be allocated to the Projects approximately as follows:*

Project Name	Bond Amount	Tax Credit Equity	Subordinate RD 515 Loan Amounts	RD 538 Loan Amounts	Deferred Developer Fee	GP Equity	FARHH Loans	Reserves
New Courtyard I	\$5,159,000	\$2,913,061	\$1,961,360	\$4,964,000	\$450,918	\$292	\$100,000	\$75,000
New Courtyard II	\$2,651,000	\$1,514,286	\$1,084,216	\$2,574,000	\$241,817	\$151	\$100,000	\$11,000
New Deer Park	\$2,681,000	\$1,538,550	\$1,058,617	\$2,219,000	\$250,917	\$154	\$250,000	\$135,000
New Donnell Villas	\$5,287,000	\$2,665,406	\$1,457,486	\$5,979,000	\$500,053	\$267	\$50,000	\$88,000
New Edgewood Place	\$4,501,000	\$3,054,320	\$431,237	\$5,461,000	\$413,005	\$305	\$250,000	\$18,000
New Kensington Park	\$9,157,000	\$5,177,802	\$1,504,267	\$11,826,000	\$772,674	\$518	\$0	\$102,000
New Laurel Glen	\$3,255,000	\$2,109,769	\$1,094,461	\$2,797,000	\$213,311	\$211	\$250,000	\$145,000
New Pender Square	\$6,942,000	\$4,170,023	\$1,606,585	\$7,350,000	\$683,537	\$417	\$100,000	\$96,000
New Windemere	\$3,740,000	\$2,391,763	\$1,416,946	\$3,127,000	\$330,215	\$239	\$100,000	\$334,000
New Woods	\$5,101,000	\$3,307,224	\$773,988	\$6,255,000	\$490,617	\$331	\$100,000	\$20,000
TOTAL	\$48,474,000	\$28,842,204	\$12,389,163	\$52,552,000	\$4,347,064	\$2,885	\$1,300,000	\$1,024,000

* Preliminary; subject to change.

THE PROJECTS

The following information concerning the Projects has been provided by representatives of the Borrowers and has not been independently confirmed or verified by either the Underwriter or the Agency. 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 Projects consist of 10 separate multifamily residential rental facilities (comprising “residential rental projects” within the meaning of Section 142(d) of the Code) located in the State. The proceeds of the Bonds will be loaned to the Borrowers for purposes of acquiring, rehabilitating and equipping the Projects pursuant to the Bond Loan Agreements. The following is a brief description of each of the Projects:

Project Number One. New Courtyard I, originally constructed in 1990, is located on a site of approximately 6.332 acres in Henderson, North Carolina. New Courtyard I consists of one building containing 70 units. The property includes 58 one-bedroom/one-bath apartments of approximately 591 square feet, three one-bedroom/one-bath handicapped apartments of approximately 591 square feet, eight two-bedroom/one-bath apartments of approximately 804 square feet, and one two-bedroom/one-bath handicapped apartment of approximately 804 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, exterior storage (for the two-bedroom units), community room, laundry room, indoor/outdoor seating with benches and patios. As of the most recent rent roll for New Courtyard I available to New Courtyard I, LLC, a North Carolina limited liability company, as the Borrower, the project was 96% occupied and receives 69 units (99%) of USDA-provided Section 521 Rental Assistance.

Project Number Two. New Courtyard II, originally constructed in 1993, is located on a site of approximately 5.603 acres in Henderson, North Carolina. New Courtyard II consists of one building containing 38 units. The property includes 36 one-bedroom/one-bath apartments of approximately 588 square feet, one one-bedroom/one-bath handicapped apartment of approximately 588 square feet, and one two-bedroom/one-bath handicapped apartment of approximately 804 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, exterior storage (for the two-bedroom units), community room, exercise room, laundry room, indoor/outdoor seating areas with benches, and patios. As of the most recent rent roll for New Courtyard II available to New Courtyard II, LLC, a North Carolina limited liability company, as the Borrower, the project was 95% occupied and receives 38 units (100%) of USDA-provided Section 521 Rental Assistance.

Project Number Three. New Deer Park, originally constructed in 1985, is located on a site of approximately 4.00 acres in Spruce Pine, North Carolina. New Deer Park consists of six buildings containing 32 units. The property includes six one-bedroom/one-bath apartments of approximately 622 square feet, two one-bedroom/one-bath handicapped apartments of approximately 618 square feet, and 24 two-bedroom/one-bath apartments of approximately 936 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, exterior storage, laundry room, outdoor seating area with benches, playground, and patios/balconies. As of the most recent rent roll for New Deer Park available to New Deer Park, LLC, a North Carolina limited liability company, as the Borrower, the project was 94% occupied and receives 32 units (100%) of USDA-provided Section 521 Rental Assistance.

Project Number Four. New Donnell Villas, originally constructed in 1979, is located on a site of approximately 6.0 acres in Kernersville, North Carolina. New Donnell Villas consists of 13 buildings containing 72 units. The property includes 35 one-bedroom/one-bath apartments of approximately 747 square feet, two one-bedroom/one-bath handicapped apartments of approximately 774 square feet, 21 two-bedroom/one-bath apartments of approximately 842 square feet, 11 two-bedroom/one-and-a-half-bath apartments of approximately 969 square feet, two two-bedroom/one-bath handicapped apartments of approximately 932 square feet, and one three-bedroom/one-and-a-half-bath apartment of approximately

1,113 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, laundry room, indoor/outdoor seating area with benches and playground. As of the most recent rent roll for New Donnell Villas available to New Donnell Villas, LLC, a North Carolina limited liability company, as the Borrower, the project was 94% occupied and receives 69 units (96%) of USDA-provided Section 521 Rental Assistance.

Project Number Five. New Edgewood Place, originally constructed in 1977, is located on a site of approximately 6.045 acres in Albemarle, North Carolina. New Edgewood Place consists of 10 buildings containing 56 units. The property includes 13 one-bedroom/one-bath apartments of approximately 542 square feet, three one-bedroom/one-bath handicapped apartments of approximately 542 square feet, and 40 two-bedroom/one-and-a-half-bath apartments of approximately 854 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, exterior storage, laundry room, indoor/outdoor sitting area with benches, playground and patios. As of the most recent rent roll for New Edgewood Place available to New Edgewood Place, LLC, a North Carolina limited liability company, as the Borrower, the project was 98% occupied and receives 55 units (98%) of USDA-provided Section 521 Rental Assistance.

Project Number Six. New Kensington Park, originally constructed in 1978, is located on two sites totaling approximately 10.123 acres (one site is 4.132 acres and the other is 5.991 acres) in New Bern, North Carolina. New Kensington Park consists of 22 buildings (13 buildings on one site and nine buildings on the other site) containing 120 units. The property includes 22 one-bedroom/one-bath apartments of approximately 636 square feet, 18 one-bedroom/one-bath apartments of approximately 608 square feet, two one-bedroom/one-bath handicapped apartments of approximately 636 square feet, two one-bedroom/one-bath handicapped apartments of approximately 608 square feet, 46 two-bedroom/one-bath apartments of approximately 752 square feet, two two-bedroom/one-bath handicapped apartments of approximately 752 square feet, and 28 two-bedroom/one-and-a-half-bath apartments of approximately 933 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, laundry room, indoor/outdoor sitting areas with benches and playground. As of the most recent rent roll for New Kensington Park available to New Kensington Park, LLC, a North Carolina limited liability company, as the Borrower, the project was 93% occupied and receives 111 units (93%) of USDA-provided Section 521 Rental Assistance.

Project Number Seven. New Laurel Glen, originally constructed in 1989, is located on a site of approximately 2.998 acres in Roanoke Rapids, North Carolina. New Laurel Glen consists of one building containing 40 units. The property includes 34 one-bedroom/one-bath apartments of approximately 606 square feet, one one-bedroom/one-bath handicapped apartment of approximately 606 square feet, four two-bedroom/one-bath apartments of approximately 829 square feet, and one two-bedroom/one-bath handicapped apartment of approximately 829 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, exterior storage (for the two-bedroom units), community room, covered picnic area, laundry room, indoor/outdoor sitting areas with benches and patios. As of the most recent rent roll for New Laurel Glen available to New Laurel Glen, LLC, a North Carolina limited liability company, as the Borrower, the project was 100% occupied and receives 40 units (100%) of USDA-provided Section 521 Rental Assistance.

Project Number Eight. New Pender Square, originally constructed in 1989, is located on two sites totaling approximately 12.126 acres (one site is 5.838 acres and the other is 6.288 acres) in Tarboro, North Carolina. New Pender Square consists of 21 buildings (12 buildings on one site and nine buildings on the other site) containing 92 units. The property includes 13 one-bedroom/one-bath apartments of approximately 608 square feet, 21 one-bedroom/one-bath apartments of approximately 660 square feet, three one-bedroom/one-bath handicapped apartments of approximately 608 square feet, three one-bedroom/one-bath handicapped apartments of approximately 660 square feet, 32 two-bedroom/one-and-a-half-bath apartments of approximately 935 square feet, 16 two-bedroom/one-and-a-half-bath apartments of approximately 953 square feet, and four three-bedroom/one-bath handicapped apartments of approximately

1,016 square feet. Upon completion, unit amenities will include: coat closet, frost free refrigerators, exterior storage (for the two-bedroom townhouse units and all units at the existing Pender Square III property), community room, laundry room, indoor/outdoor sitting area with benches, playground and patios/balconies (for the two-bedroom townhouse units at the existing Pender Square II and all one- and two-bedroom units at the existing Pender Square III location). As of the most recent rent roll for New Pender Square available to New Pender Square, LLC, a North Carolina limited liability company, as the Borrower, the project was 97% occupied and receives 92 units (100%) of USDA-provided Section 521 Rental Assistance.

Project Number Nine. New Windemere, originally constructed in 1979, is located on a site of approximately 4.180 acres in Wilkesboro, North Carolina. New Windemere consists of nine buildings containing 48 units. The property includes 22 one-bedroom/one-bath apartments of approximately 750 square feet, two one-bedroom/one-bath handicapped apartments of approximately 740 square feet, 15 two-bedroom/one-bath apartments of approximately 930 square feet, one two-bedroom/one-bath handicapped apartment of approximately 932 square feet, and eight two-bedroom/one-and-a-half-bath apartments of approximately 969 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, covered picnic area, laundry room, indoor/outdoor sitting area with benches, playground, and raised bed garden. As of the most recent rent roll for New Windemere available to New Windemere, LLC, a North Carolina limited liability company, as the Borrower, the project was 100% occupied and receives 46 units (96%) of USDA-provided Section 521 Rental Assistance.

Project Number Ten. New Woods, originally constructed in 1978, is located on a site of approximately 5.831 acres in Henderson, North Carolina. New Woods consists of 10 buildings containing 72 units. The property includes 22 one-bedroom/one-bath apartments of approximately 652 square feet, two one-bedroom/one-bath handicapped apartments of approximately 652 square feet, 46 two-bedroom/one-bath apartments of approximately 762 square feet, and two two-bedroom/one-bath handicapped apartments of approximately 762 square feet. Upon completion, unit amenities will include: coat closet, frost-free refrigerators, laundry room and outdoor sitting area with benches. As of the most recent rent roll for New Woods available to New Woods, LLC, a North Carolina limited liability company, as the Borrower, the project was 96% occupied and receives 67 units (93%) of USDA-provided Section 521 Rental Assistance.

Rehabilitation of Projects

Rehabilitation of the Projects is expected to commence on the Closing Date on a staggered schedule. The Projects are expected to have a total rehabilitation period of approximately 24 months. The rehabilitation will provide upgrades to all units that will result in new and better-quality living spaces. The unit renovations will include updating mechanical systems as well as exterior and interior upgrades. Other community improvements include increased site accessibility.

Regulatory Restrictions

Each Project is subject to a Land Use Restriction Agreement, which imposes certain requirements on the related Borrower with respect to the tax-exempt status of the Bonds under the Code, which include, among other requirements, a set aside of 40% of the units for rental to persons or families having incomes at or below 60% of area median gross income, adjusted for family size and determined in accordance with Section 142(d) of the Code and certain other requirements under state law. See “APPENDIX E — SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENTS” herein.

In addition to the rental restrictions imposed upon the Projects by the Land Use Restriction Agreements, each Project will be further encumbered by a tax credit restrictive covenant (the “Tax

Certificate,” and collectively, the “Tax Certificates”), to be executed by each Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be granted for the related Project and in compliance with the requirements of Section 42 of the Code.

Each Project will also be encumbered by use restrictions required pursuant to Section 42 of the Code relating to tax credits, which will restrict the income levels of 100% of the units in each 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 area median income adjusted for family size and the rents which may be charged for occupancy of units in each Project will be restricted to not more than 30% of 60% of area median income, adjusted for family size.

THE 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 Agency. 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 Borrowers

The Borrower with respect to: (1) New Courtyard I is New Courtyard I, LLC, (2) New Courtyard II is New Courtyard II, LLC, (3) New Deer Park is New Deer Park, LLC, (4) New Donnell Villas is New Donnell Villas, LLC, (5) New Edgewood Place is New Edgewood Place, LLC, (6) New Kensington Park is New Kensington Park, LLC, (7) New Laurel Glen is New Laurel Glen, LLC, (8) New Pender Square is New Pender Square, LLC, (9) New Windemere is New Windemere, LLC and (10) New Woods is New Woods, LLC, each a North Carolina limited liability company (each a “Borrower” and collectively, the “Borrowers”).

Each Borrower was formed for the purpose of acquiring, rehabilitating and operating the applicable Project. The Sole Member will own a 100% interest in each of the Borrowers. Landura Portfolio MM, LLC, a North Carolina limited liability company, and its successors and assigns (“Landura MM”), will own a 0.01% interest in the Sole Member. The Investor Member will own a 99.99% interest in the Sole Member. Greystone RE Capital SLP LLC, a Delaware limited liability company (the “Special Member”), and its successors and assigns, will own a 0% interest in the Sole Member. The Investor Member is expected to make equity contributions totaling approximately \$28,842,204*, subject to certain conditions precedent for each installment and adjustment thereof, as set forth in the Borrowers’ operating agreements.

The Borrowers have no substantial assets other than the respective Projects and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership and operation of the respective Projects.

The obligations and liabilities of the Borrowers under the mortgage notes are of a non-recourse nature and are limited to the Projects and moneys derived from the operation of the Projects. Neither the Borrowers nor their members or their respective principals and members have any personal liability for payments on the mortgage notes to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrowers have substantial funds available for the Projects.

* Preliminary; subject to change.

Accordingly, neither the Borrowers' financial statements nor those of their members are included in this Official Statement.

The Developer

The developer for the Project is Harmony Housing Affordable Development Inc., a Delaware corporation (the "Developer"). The Developer was formed through the acquisition of the real estate development and advisory business of Greystone Affordable Development in 2023, bringing forward over 17 years of experience in affordable housing development through its predecessor organization. The leadership, staff, and business platform remained the same after the acquisition. The Developer has successfully developed, preserved and recapitalized more than 16,725 affordable apartment homes across 16 states utilizing both 4% and 9% low-income housing tax credits.

The Property Manager

The property management company, Landura Management Associates, a North Carolina limited partnership (the "Property Manager") to engage the Property Manager to manage the day-to-day operations of the Project. The Property Manager is an affiliate of the Borrowers. The Property Manager has been involved in the management of apartment complexes since 1986. The Property Manager currently manages 2,696 apartment units in six states.

The Contractor

Parker General Contractors, LLC (the "Contractor") will be the general contractor performing the proposed renovation of the Projects. The Contractor is not an affiliate of the Developer. The Contractor was founded in 2009 and is headquartered in Benson, North Carolina. The Contractor employs over 25 people and has extensive experience with new construction and renovations of multi-family, commercial and industrial projects.

The Architect

The design architect for the Projects is Wallace-Kleffner Architects, PLLC, a Mississippi professional limited liability company (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 27 years and has been the principal architect for more than 1,000 multifamily developments with a total of more than 49,000 units.

THE BONDS

General

The Bonds shall be issued in Authorized Denominations and shall mature on the Maturity Date. The Bonds are dated their date of initial delivery and shall bear interest at the Initial Interest Rate from their date of delivery, to but not including the Initial Mandatory Tender Date, payable on each Interest Payment Date. Interest on the Bonds shall be payable on each February 1 and August 1, commencing August 1, 2026* and shall be computed on the basis of a 360-day year of 12 months of 30 days each. The principal of and interest on the Bonds shall be payable by the Trustee to Cede & Co., as nominee of DTC. See "Book-Entry-Only System" below.

* Preliminary; subject to change.

The Trustee, in its capacity as Registrar, will keep all books and records necessary for registration, exchange and transfer of the Bonds.

Discussion of the Bonds being issued only under the Book Entry System is provided below. Details regarding the procedures for and manner of payment, issuance, exchange and transfer of the Bonds if ever issued in certificated form as provided in the Bond proceedings are also stated below.

Book Entry System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Borrowers believe to be reliable, but neither the Agency nor the Borrowers take responsibility for the accuracy thereof.

The Depository Trust Company ("DTC"), Brooklyn, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency 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 the Agency or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Agency, 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 the Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Agency 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 Agency 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 Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

Revision of Book Entry System; Replacement Bonds

Notwithstanding any provision of the Indenture to the contrary, the Agency directs that all Bonds issued under the Indenture shall be initially issued in a Book Entry System, registered in the name of the Depository or its nominee as registered owner of the Bonds, and held in the custody or on behalf of that Depository. Unless otherwise requested by a Depository, a single certificate will be issued and delivered to or on behalf of the Depository for each maturity of Bonds. Beneficial owners of Bonds in a Book Entry System will not receive physical delivery of Bond certificates except as provided in the Indenture. For so long as a Depository shall continue to serve as securities depository for the Bonds as provided in the Indenture, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate; provided; that, if a Depository fails or refuses to act as securities depository for the Bonds, the Agency shall take the actions necessary to provide for the issuance of Bond certificates to the Holders of such Bonds. In connection with any proposed transfer outside the Book-Entry Only system, including by consent of the beneficial owners of the Bonds as described below, the Agency, the Borrowers or the Depository shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

With respect to Bonds registered in the name of the Depository, the Agency, the Borrowers and the Trustee shall have no responsibility or obligation to any participant therein or to any Person on whose behalf any participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the Agency, the Borrowers nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Depository or any participant therein or any other Person, other than a registered owner of the Bonds, as shown on the registration books, or (ii) any notice with respect to the Bonds or (iii) the payment to any participant in the Depository or any other Person, other than a registered owner of the Bonds, as shown in the registration books, of any amount with respect to principal of or interest on or purchase price of the Bonds.

Replacement Bonds may be issued directly to beneficial owners of Bonds other than the Depository, or its nominee, but only in the event that (i) the Depository determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Agency and the Trustee); or (ii) the Agency has advised the Depository of its determination (which determination is conclusive as to the Depository and beneficial owners of the Bonds) that the Depository is incapable of discharging its duties as securities depository for the Bonds; or (iii) the Agency has determined (which determination is conclusive as to the Depository and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the

Agency and the Borrowers shall use commercially reasonable efforts to attempt to locate another qualified securities depository. If the Agency and the Borrowers fail to locate another qualified securities depository to replace the Depository, the Agency and the Borrowers, at the Borrowers' expense, shall cause to be authenticated and delivered replacement Bonds, in certificate form, to the beneficial owners of the Bonds. In the event that the Agency makes the determination noted in (ii) or (iii) above (provided that the Agency undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Agency to make any such determination), and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to the Depository, it and the Borrowers shall cause to be issued replacement Bonds in certificate form to beneficial owners of the Bonds as shown on the records of the Depository provided to the Agency.

Upon the written consent of one hundred percent (100%) of the beneficial owners of the Bonds, the Trustee shall withdraw the Bonds from any Depository and authenticate and deliver Bonds fully registered to the assignees of that Depository or its nominee. If the request for such withdrawal is not the result of any Agency action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing, preparing and delivering such Bonds) of the persons requesting such withdrawal, authentication and delivery; otherwise such withdrawal, authentication and delivery shall be at the cost and expense of the Borrowers.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at a Depository, (i) the requirements in the Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate Person or entity to meet the requirements of the Depository as to registering or transferring the book entry to produce the same effect and (ii) delivery of the Bonds will be in accordance with arrangements among the Agency, the Trustee and the Depository notwithstanding any provision of the Indenture to the contrary.

The Trustee and the Agency shall enter into any letter of representation with a Depository to implement the Book Entry System of Bond registration described above.

Redemption of Bonds

The Bonds shall be redeemed in whole (except as provided in the Indenture) at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the redemption date, if any, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrowers have not elected to request a remarketing of the Bonds by filing with the Agency, the Trustee and the Remarketing Agent the notice and other items required by the Indenture, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Bond Fund at 11:00 a.m. Eastern time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. In the event that the Borrowers request that only a portion of the Bonds be remarketed on the Mandatory Tender Date in the notice delivered pursuant to paragraph (c) under the heading "Mandatory Tender" below and the other requirements of this paragraph are met, then the Bonds shall not be redeemed in whole, but shall be redeemed in the amount not requested to be remarketed. The 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 Initial Deposit Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrowers.

The Bonds are subject to optional redemption prior to their maturity, at the written direction of the Borrower, either in whole or part, on any date on or after the later to occur of (i) the date that the Project is placed in service for purposes of Section 42 of the Code, as certified in writing by the Borrowers to 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 the Indenture shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrowers.

For Bonds subject to optional redemption pursuant to the Indenture, the Trustee shall give at least ten (10) 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, such Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Holders of such Bonds shall have no rights in respect thereof except to receive payment of such redemption price. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Holders 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 to the Indenture 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.

Mandatory Tender

The Bonds are subject to mandatory tender in whole and not in part on each Mandatory Tender Date and shall be purchased at a price equal to 100% of the principal amount of such Bonds, plus accrued interest, if any to the Mandatory Tender Date, and without premium. No later than 10:00 a.m., Eastern time, on the Mandatory Tender Date, the Holders shall deliver the Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Eastern time on the Mandatory Tender Date, in the following priority; (i) amounts representing proceeds of remarketed Bonds received pursuant to the Indenture, to pay the principal amount, plus accrued interest, of Unredeemed Bonds tendered or deemed tendered for purchase, (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds other than Unredeemed Bonds tendered or deemed tendered for purchase, (iii) amounts on deposit in the Initial Deposit Account of the Bond Fund to pay the accrued interest, if any, on Bonds other than Unredeemed Bonds tendered or deemed tendered for purchase and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Authorized Borrowers Representative.

Not less than 30 days before the Mandatory Tender Date, the Trustee shall give written notice of tender and remarketing to the Holders by first class mail, postage prepaid, at their respective addresses appearing on the Register. The notice shall state the Mandatory Tender Date and that:

- (1) all Outstanding Bonds are subject to mandatory tender for purchase on the Mandatory Tender Date and must be tendered for purchase on the Mandatory Tender Date;

(2) 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;

(3) Holders will not have the right to elect to retain their Bonds and 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; and

(4) the address of the office of the Trustee at which Holders should deliver their Bonds for purchase on the Mandatory Tender Date.

If notice is given as described above, failure of any Holder to receive such notice, or any defect in the notice, shall not affect the remarketing or the validity of the proceedings for the remarketing of the Bonds.

Not less than 45 days before the Mandatory Tender Date, the Borrowers may request that all or a portion of the Bonds subject to mandatory tender not be redeemed pursuant to the Indenture, as described under the heading "Redemption of Bonds" above, but instead be remarketed pursuant to the Indenture. If the Borrowers so request and the requirements of the Indenture are met, then the amount of Bonds requested shall be remarketed in accordance with the Indenture and the Bonds so remarketed shall be the Unredeemed Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

At all times the Bonds will be secured by Eligible Investments and other Eligible Funds sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of any Mandatory Tender Date or any redemption date, as further described herein.

To the extent provided in and except as otherwise permitted by the Indenture, (i) the Bonds will be special limited obligations of the Agency and the Bond Service Charges thereon shall be payable equally and ratably solely from the Pledged Revenues, including but not limited to moneys and investments in the Special Funds, (ii) the payment of Bond Service Charges on the Bonds shall be secured by the assignment of the Pledged Revenues under and by the Indenture, and (iii) payments due on the Bonds also shall be secured by the Bond Notes. The Pledged Revenues include the payments required to be made by the Borrower under the Bond Loan Agreement and the Bond Notes; all other moneys received by the Agency or the Trustee for the account of the Agency with respect to repayment of the Bond Loan; moneys and investments in or allocated to the Project Fund (excluding the Costs of Issuance Account) and the Collateral Fund; and the income and profit from the investment of the foregoing moneys.

The Agency has directed the Trustee to fund the Collateral Fund pursuant to the terms of the Indenture. Pursuant to the Indenture, to the extent funds available in the Bond Fund and the Project Fund on any Bond Loan Payment Date are insufficient to pay Bond Service Charges on any Interest Payment Date, funds on deposit in the Collateral Fund will be transferred to the Trustee to pay the Bond Service Charges. Amounts so transferred from the Collateral Fund shall be a credit to the Borrower against the Bond Loan Payments due pursuant to the Bond Loan Agreement.

The funds on deposit in the Special Funds will be invested in Eligible Investments. It is expected that there will be no fees of the Agency, or the Trustee payable from the Pledged Revenues.

The Bonds shall not be deemed to constitute a debt, liability or obligation of the State or of any political subdivision thereof or a pledge of the faith and credit of the State or of any such political subdivision, but shall be payable solely from the revenues or assets of the Agency pledged under the Indenture. The Agency shall not be obligated to pay the Bonds nor the interest thereon except from the Trust Estate and other funds pledged under the Indenture and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds.

THE TRUSTEE

The information under this heading has been provided solely by the Trustee and has not been independently verified. No representation whatsoever as to the accuracy, adequacy or completeness of such information is being made.

The Bank of New York Mellon Trust Company, N.A. will act as Trustee pursuant to the Indenture. The obligations of the Trustee are described in the Indenture. The Trustee has undertaken only those duties and obligations that are expressly set forth in the Indenture. The Trustee has not independently passed upon the validity of the Bonds, the security of the payment therefor, the value or condition of any assets pledged to the payment thereof, the adequacy of the provisions for such payment, the status for federal or state income tax purposes of the interest on the Bonds, or the investment quality of the Bonds. Except for the contents in this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and has assumed no responsibility for the nature, content, accuracy or completeness of the information included in this Official Statement.

CERTAIN HOLDERS' RISKS

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

General

Payment of the Bond Service Charges, and the Borrowers' obligations with respect to the Bond Service Charges, will be primarily secured by and payable from Bond proceeds held in the Project Fund and money deposited into the Collateral Fund and the Bond Fund, including the Initial Deposit Account held in the Bond Fund. Although the Borrowers will execute the Bond Notes to evidence their obligation to repay the Bond Loans, it is not expected that any revenues from the Projects or other amounts, except money in the Special Funds, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Project Fund and the Collateral Fund is at least equal to the then outstanding principal amount of the Bonds. Funds on deposit in the Collateral Fund and Initial Deposit Account of the Bond Fund, and the interest earnings thereon will be sufficient to pay the debt service on the Bonds.

Limited Security for Bonds

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

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

The Bonds are not secured by the Mortgage Loans. Investors should look exclusively to amounts on deposit in the Special Funds under the Indenture as the source of payment of debt service on the Bonds.

Tax Exemption

In the event a Borrower does not maintain the related Project as a “qualified residential rental project” for the Qualified Project Period, the interest on the Bonds may be or become taxable from the date of original issuance to the Holders for federal income tax purposes. Such an event will not constitute an immediate default under the Bond Loans and will not give rise to an immediate redemption or acceleration of the Bonds and is not the basis for an increase in the rate of interest payable on the Bonds or give rise to the payment to the owners of the Bonds of any amount denoted as “supplemental interest,” “additional interest,” “penalty interest,” “liquidated damages” or otherwise, in addition to the amounts payable to the owners of the Bonds prior to the occurrence of the event which results in the interest payable on the Bonds being includable, for federal income tax purposes, in the gross income of the owners of the Bonds.

Agency Limited Liability

The Bonds are special limited obligations of the Agency payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein. The Bondholders will have no recourse to the Agency in the event of an Event of Default on the Bonds. The Trust Estate for the Bonds will be the only source of payment on the Bonds.

Enforceability of Remedies upon an Event of Default

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

Secondary Markets and Prices

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

Eligible Investments

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

Rating Based on Eligible Investments

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

Subordination to Mortgage Loan Documents

The Indenture, the Bond Loan Agreement, the Bond Notes, and the Land Use Restriction Agreements contain provisions regarding subordination of such documents to the Mortgage Loan Documents and the RHS Requirements. 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. See “RHS REQUIREMENTS TO CONTROL” herein.

Future Legislation; IRS Examination

The Projects, their 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 Projects, 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 TREATMENT” herein. No assurance can be given that the IRS will not examine the Agency, the Borrowers, the Projects or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

Potential Impact of Pandemics or Public Health Crises

The spread of the strain of a virus and resulting disease could alter the behavior of businesses and people in a manner that could have negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic would not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. The effects of a pandemic could include, among other things, an increase in the time necessary to complete the construction and/or rehabilitation of the Project, suspension or delay of site inspections and other on-site

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

Summary

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

LITIGATION

The Agency

On the Closing Date, the Agency will deliver a certificate to the effect that there is no litigation or proceedings pending or, to the best of its knowledge, threatened seeking to enjoin the issuance, execution or delivery of the Bonds, or in any way contesting or affecting any authority for the release, issuance, execution, or delivery of the Bonds, or the validity of the Bonds, or seeking to restrain or enjoin the transaction or questioning the validity of the transaction, or contesting the existence or powers of the Agency with respect to this transaction.

The Borrowers

There is no litigation now pending or threatened that if decided adversely to the interests of the Borrowers would have a material adverse effect on the operations or financial position of the Borrowers.

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 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 of this Official Statement and that such offering prices subsequently may change without any requirement of prior notice. The Underwriter may offer the Bonds to other dealers at prices lower than those offered to the public.

The Underwriter does not guarantee a secondary market for the Bonds and is not obligated to make any such market in the Bonds. No assurance can be made that such a market will develop or continue.

Consequently, investors may not be able to resell Bonds should they need or wish to do so for emergency or other purposes.

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

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

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

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

TAX TREATMENT

Qualified Residential Rental Project

Sections 103 and 142 of the Internal Revenue Code of 1986, as amended (the “Code”), provide an exclusion from federal gross income for interest on “private activity bonds” the proceeds of which are used to provide “qualified residential rental projects” where either (a) 20% or more of the residential units in the project are occupied by individuals whose income is 50% or less of the area median gross income, or (b) 40% or more of the residential units in the project are occupied by individuals whose income is 60% or less of the area median gross income. Each Borrower has elected to set aside at least 40% of the residential units in its Project for individuals whose income is 60% or less of the area median gross income. The area median gross income is based on a family of four and is subject to increase or decrease based on family size. The set aside requirement will apply until the latest of (i) 15 years after 50% of the units in the Project are occupied; (ii) the date the last Bonds are retired; or (iii) the date on which any assistance to a Project under Section 8 of the United States Housing Act of 1937 terminates.

The Code requires the Borrowers annually to certify compliance with the set-aside requirement. Tenants who initially qualified under the applicable income limit continue to so qualify unless either an increase in family income or a decrease in family size causes the family’s income to exceed the applicable limit by more than 40%. If the failure of a tenant to continue to qualify causes the Projects to no longer be

in compliance with the set-aside requirement, then the Borrower must rent the next comparably sized or smaller unit that becomes vacant to a qualifying tenant.

The Code includes requirements that the Agency and the Borrowers must continue to meet after the issuance of the Bonds in order that interest thereon not be included in gross income for federal income tax purposes. The Agency or any Borrower's failure to meet the requirements may cause interest on all the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Agency and each Borrower have covenanted in the Indenture, the Bond Loan Agreement and the Land Use Restriction Agreements to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Opinion of Bond Counsel

In the opinion of Womble Bond Dickinson (US) LLP, Bond Counsel, which is based on existing law and assumes continuing compliance by the Agency and each Borrower with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), regarding, among other matters, use, expenditure and investment of proceeds of the Bonds and the timely payment of certain investment earnings to the United States Treasury, interest on the Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation (except for any owner who is a "substantial user" of a Project or a "related person" of a "substantial user" (as such terms are defined in the Code)). Bond Counsel is also of the opinion that interest on the Bonds is not treated as a preference item for purposes of computing the alternative minimum tax imposed by the Code; however, interest on the Bonds held by certain corporations is included in the computation of "adjusted financial statement income" for purposes of computing the federal alternative minimum tax. Bond Counsel is also of the opinion, based on existing law, that interest on the Bonds will be exempt from all State of North Carolina income taxes.

The Code and other laws of taxation, including the laws of taxation of the State of North Carolina, of other states and of local jurisdictions, may contain other provisions that could result in tax consequences, upon which Bond Counsel renders no opinion, as a result of ownership or transfer of the Bonds or the inclusion in certain computations of interest on the Bonds that is excluded from gross income for purposes of federal and North Carolina income taxation.

Other Tax Consequences

Ownership or transfer of, or the accrual or receipt of interest on, the Bonds may result in collateral federal, State of North Carolina, other state or local tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers who may be eligible for the federal earned income tax credit, and taxpayers subject to franchise, estate, inheritance, gift or capital gains taxes. Prospective purchasers of the Bonds should consult their tax advisors as to any such possible tax consequences. Except to the extent covered in its legal opinion, Bond Counsel expresses no opinion regarding any such collateral tax consequences.

No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, or certain litigation or judicial decisions, if upheld, will not contain provisions or produce results which could, directly or indirectly, reduce the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the Bonds.

Interest paid on tax-exempt obligations, such as the Bonds, will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest with respect to the Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest with respect to the Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not “exempt recipients,” and (b) either fail to provide certain identifying information (such as the beneficial owner’s taxpayer identification number) in the required manner or have been identified by the Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner’s federal income tax liability provided the required information is furnished to the Service.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax exempt status of the interest thereon (see “TAX TREATMENT”) are subject to the approving legal opinion of Womble Bond Dickinson (US) LLP, Bond Counsel. A signed copy of that opinion, dated and speaking only as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. A copy of such opinion will accompany the Bonds and a draft of that opinion is attached hereto as Appendix B.

In rendering its approving opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrowers by their counsel, Blanco Tackabery & Matamoros, P.A., Winson-Salem, North Carolina.

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. An explanation of the significance of such rating may be obtained from the Rating Agency. The rating of the Bonds reflects only the views of the Rating Agency at the time such rating was given, and neither the Agency nor the Borrowers nor the Underwriter makes any representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

RHS REQUIREMENTS TO CONTROL

To the extent there is any conflict, inconsistency or ambiguity between or among the provisions of the Indenture, the Bond Loan Agreement, the Land Use Restriction Agreements and the RHS Requirements or the Mortgage Loan Documents, then in such event the RHS Requirements or the Mortgage Loan Documents will be deemed to be controlling and any such ambiguity or inconsistency will be resolved in favor of and pursuant to the RHS Requirements or the provisions of the Mortgage Loan Documents.

Notwithstanding anything to the contrary contained in the Indenture, the Land Use Restriction Agreements or the Bond Loan Agreement, the enforcement of the Indenture, the Land Use Restriction Agreements or the Bond Loan Agreement shall not result in any claim against a Project, Mortgage Loans proceeds, any reserve or deposit made with the Lender or with another person or entity required by RHS in connection with the Mortgage Loans transactions, or against rents or other income from the Projects other than available “surplus cash” as defined in the Mortgage Loan Documents available for distribution to the related Borrower under the Mortgage Loan Documents. Nothing contained in the Indenture, the Land Use Restriction Agreements or the Bond Loan Agreement, however, shall prevent or preclude the Trustee from using funds on deposit in the Bond Fund to make payments to Holders as and to the extent expressly permitted by the provisions of the Indenture or the Bond Loan Agreement and/or to use funds on deposit in the Project Fund and Collateral Fund to make payments to or on behalf of the Lender.

If the Indenture, the Land Use Restriction Agreements or the Bond Loan Agreement contain any provision requiring the Agency, a Borrower, the Trustee or any other party to the transaction to take any action necessary to preserve the tax exemption of interest on the Bonds, or prohibiting any such party to the transaction from taking any action that might jeopardize such tax exemption, such provision is qualified to except any actions required (or prohibited) by RHS pursuant to applicable RHS Requirements and the Mortgage Loan Documents.

Notwithstanding any provision of the Indenture, the Land Use Restriction Agreements or the Bond Loan Agreement to the contrary, the parties thereto acknowledge and agree that all of their respective rights and powers to any assets or properties of the related Borrower are subordinate and subject to the liens created by the Mortgage, together with any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other documents executed by the related Borrower as required by RHS in connection therewith.

CONTINUING DISCLOSURE

The Borrowers will enter into a Continuing Disclosure Agreement dated as of December 1, 2025 (the “Continuing Disclosure Agreement”) with the Trustee and the Dissemination Agent named therein, obligating each Borrower to send, or cause to be sent, certain financial information with respect to its respective Project to certain information repositories annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board (the “MSRB”) of certain enumerated events, if any, for the benefit of the Beneficial Owners and Holders of any of the Bonds, in order to allow the Underwriter to meet the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the “Rule”).

For certain projects, certain affiliates of the Borrowers have failed to comply with certain undertakings under the Rule during the five-year period prior to the date of this Official Statement, including instances of failure to timely file financial and/or operating data without notice of late filing.

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

The Borrowers have not previously been subject to the continuing disclosure requirements of the Rule. See “APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT” herein.

No financial or operating data concerning the Agency is material to any decision to purchase, hold or sell each issue of the Bonds and the Agency will not provide any such information. Each Borrower has undertaken all responsibilities for any continuing disclosure to the Holders as described above, and the Agency shall have no liability to the Holders or any other person with respect to such disclosures.

FINANCIAL ADVISOR

Caine Mitter & Associates Incorporated (the “Financial Advisor”) has served as financial advisor to the Agency on certain matters in connection with the issuance of the Bonds. The Financial Advisor has not conducted any municipal advisory activities for any obligated person other than the Agency in connection with the issuance of the Bonds. The Financial Advisor has not been engaged by the Agency to compile, create or interpret any information in this Official Statement. Information contained in this Official Statement has not been independently verified by the Financial Advisor, and inclusion of such information is not, and should not, be construed as a representation by the Financial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm and has not been engaged by the Agency to review or audit any information in this Official Statement in accordance with accounting standards. The Financial Advisor does not have any responsibility for the provisions contained in any of the legal documents.

MISCELLANEOUS

The foregoing references to and summaries or descriptions of provisions of the Bonds, the Bond Loan Agreement, the Indenture and the Land Use Restriction Agreements, and all references to other materials not stated to be quoted in full are only brief outlines of some of the provisions thereof and do not purport to summarize or describe all of the provisions thereof. After the Closing Date, copies of the Bond Loan Agreement, the Indenture, the Bond Notes, the Land Use Restriction Agreements may be obtained from the Trustee at its designated corporate trust office.

[Signature pages to follow]

This Official Statement has been duly authorized, executed and delivered by the Agency.

**NORTH CAROLINA HOUSING FINANCE
AGENCY, as Agency**

By:

Brett Warner
Chief Financial Officer

[Signatures continued on next page]

North Carolina Housing Finance Agency Multifamily Housing Revenue Bonds
(Harmony Housing Development Landura Portfolio), Series 2025

This Official Statement has been duly authorized, executed and delivered by the Borrowers.

NEW COURTYARD I, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW COURTYARD II, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW DEER PARK, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW DONNELL VILLAS, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW EDGEWOOD PLACE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW KENSINGTON PARK, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW LAUREL GLEN, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW PENDER SQUARE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW WINDEMERE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW WOODS, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

APPENDIX A

DEFINITION OF CERTAIN TERMS

“Act” means Chapter 122A of the General Statutes of North Carolina, as amended.

“Additional Payments” means the amounts required to be paid by a Borrower pursuant to the provisions of the Bond Loan Agreement.

“Agency” means the North Carolina Housing Finance Agency, a public body corporate and politic and an agency of the State or any successor to its rights and obligations under the Bond Loan Agreement and the Indenture.

“Allocated Bonds” means, with respect to each Project and related Borrower, the portion of the Bonds that have been allocated to that Project and the related Borrower, to be loaned to that Borrower pursuant to the Bond Loan Agreement. The Allocated Bonds for each Project is set forth in an exhibit to the Loan Agreement.

“Area Median Gross Income” means the median income in the geographic area in which a Project is located, as determined annually by the Secretary of the Treasury of the United States of America in a manner consistent with the Housing Act of 1937 (or, if programs under Section 8 are terminated, under such program in effect immediately before such termination) with appropriate adjustments to income level made for family size, all as provided in Section 142(d)(2)(B) of the Code.

“Authenticating Agent” means the Trustee and the Registrar for the Bonds and any bank, trust company or other Person designated as an Authenticating Agent for the Bonds by or in accordance with the Indenture, each of which shall be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934 as amended.

“Authorized Borrowers Representative” means the person or persons designated to act on behalf of all of the Borrowers collectively and each Borrower individually.

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

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

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

“Beneficiary Class” means persons and families of low or moderate income as defined in the Act.

“Board” means the Board of Directors of the Agency.

“Bond Counsel” means Womble Bond Dickinson (US) LLP, or other counsel acceptable to the Agency that is nationally recognized as having an expertise in connection with the exclusions of interest on

obligations or obligations of state and local governmental units from the gross income of holders thereof for federal income tax purposes.

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

“Bond Loan” means each Bond Loan by the Agency to a Borrower of a portion of the proceeds received from the sale of the Bonds to be made pursuant to the Bond Loan Agreement. “Bond Loans” means, collectively, all of such Bond Loans.

“Bond Loan Agreement” means the Loan Agreement, dated as of even date with the Indenture, between the Agency and each of the Borrowers and assigned by the Agency, except for Unassigned Agency’s Rights, to the Trustee, as amended or supplemented from time to time.

“Bond Loan Payment Cure Period” means a period of four Business Days following any Bond Loan Payment Date.

“Bond Loan Payment Date” means the fifth Business Day preceding each Bond Payment Date.

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

“Bond Note” means, with respect to each Borrower, the promissory note of such Borrower, dated as of even date with the Bonds initially issued, in the form attached to the Bond Loan Agreement as an exhibit to the Bond Loan Agreement and totaling in the aggregate the principal amount of Allocated Bonds for such Borrower, as set forth in “PLAN OF FINANCING—Allocated Amounts” herein, evidencing the obligation of such Borrower to make Bond Loan Payments. “Bond Notes” means, collectively, all of such Bond Notes.

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

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated December ___, 2025, among the Agency, the Borrowers, and the Underwriter.

“Bond Resolution” means that certain Bond Resolution relating to the Projects, adopted by the Board of the Agency on December 11, 2025.

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

“Bonds” means the Multifamily Housing Revenue Bonds (Harmony Housing Development Landura Portfolio), Series 2025 of the Agency authorized in the Bond Resolution and the Indenture in an amount of \$48,474,000*.

“Book Entry System” means, with respect to the Bonds, a form or system, as applicable, under which (i) physical Bond certificates in fully registered form are issued only to a Depository or its nominee,

* Preliminary; subject to change.

with the physical Bond certificates “immobilized” in the custody of the Depository and (ii) the ownership of book entry interests in Bonds and Bond Service Charges thereon may be transferred only through a book entry made by Persons other than the Agency or the Trustee. The records maintained by Persons other than the Agency or the Trustee constitute the written record that identifies the owners, and records the transfer, of book entry interests in the Bonds and Bond Service Charges thereon.

“Borrower” means individually, each of the following entities: (1) New Courtyard I, LLC, (2) New Courtyard II, LLC, (3) New Deer Park, LLC, (4) New Donnell Villas, LLC, (5) New Edgewood Place, LLC, (6) New Kensington Park, LLC, (7) New Laurel Glen, LLC, (8) New Pender Square, LLC, (9) New Windemere, LLC and (10) New Woods, LLC, each a North Carolina limited liability company, which entities are each entering into the Bond Loan Agreement with the Agency in connection with the Bonds. “Borrowers” means, collectively, all of the Borrowers.

“Business Day” means any day of the week, other than (i) a Saturday or a Sunday, (ii) a day on which commercial banks located in the city in which the designated corporate trust office of the Trustee are not required or authorized to remain closed, or (iii) a day on which the New York Stock Exchange or the payment system of the Federal Reserve System is not operational.

“Cash Flow Projection” means a cash flow projection prepared by an Independent firm of certified public accountants, a financial advisory firm, a law firm or other Independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrowers 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 Borrowers to pay Bond Service Charges and the administrative expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds as provided in the Indenture, (iii) an optional redemption in accordance with the Indenture, and (iv) the release of Eligible Funds from the Initial Deposit Account as set forth in the Indenture.

“Closing Date” means December ___, 2025.

“Code” means the Internal Revenue Code of 1986, as amended, and all applicable regulations (whether proposed, temporary or final) under the Code and the statutory predecessor of the Code, and any official rulings and judicial determinations under the foregoing applicable to the Bonds.

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

“Confirmation of Rating” means a written confirmation, obtained 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, qualified or withdrawn as a result of such action or event.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of December 1, 2025, between the Borrowers and the Dissemination Agent as originally executed and as it may be amended from time to time in accordance with its terms.

“Contractual Obligation” means for any Person any obligation, covenant, or condition contained in any evidence of Indebtedness or any agreement or instrument under or pursuant to which any evidence of

Indebtedness has been issued, or any other material agreement, instrument or guaranty, to which such Person is a party or by which such Person or any of its assets or properties are bound.

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

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

“Dissemination Agent” means The Bank of New York Mellon Trust Company, N.A. or any successor Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means the fees payable to the Dissemination Agent as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement.

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

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

“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) the proceeds of the Mortgage Loans, the Subordinate Loans, and the FARHH Loans;

(c) amounts drawn by the Trustee on any letter of credit including proceeds of draws received for the benefit of any of the Borrowers;

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

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

(f) any payments made by a Borrower and held by the Trustee for a continuous period of 123 days, provided that prior to and during such 123 day period no petition has been filed under the Bankruptcy Code naming such Borrower as the debtor; and

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

“Eligible Funds Account” means the Eligible Funds Account created in the Indenture.

“Eligible Investments” means any of the following investments, but only if such investments mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture and the Bond Loan Agreement, to the extent the same are at the time legal for investment of the Agency’s funds (written direction of the Agency to invest funds shall be conclusive evidence that the directed investment is at the time a legal investment of the Agency’s funds):

(a) Government Obligations; and

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

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

“Extraordinary Services” and “Extraordinary Expenses” mean all services rendered and all reasonable expenses properly incurred by the Trustee or the Agency under the Indenture, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include services rendered or expenses incurred by the Trustee or the Agency in connection with, or in contemplation of, an Event of Default.

“FARHH Loans” means the loans made by the Foundation for Affordable Rental Housing Holdings, Inc., a Delaware non-stock, non-profit corporation, to each of the following Borrowers: New Courtyard I, LLC, New Courtyard II, LLC, New Deer Park, LLC, New Donnell Villas, LLC, New Edgewood Place, LLC, New Laurel Glen, LLC, New Pender Square, LLC, New Windemere, LLC, and New Woods, LLC.

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

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

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

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

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

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

“Indebtedness” shall mean for any Person (a) all indebtedness or other obligations of such Person for borrowed money or for the deferred purchase price of property or services, (b) all indebtedness or other obligations of any other Person for borrowed money or for the deferred purchase price of property or services, the payment or collection of which such Person has guaranteed (except by reason of endorsement for deposit or collection in the ordinary course of business) or in respect of which such Person is liable, contingently or otherwise, including, without limitation, by way of agreement to purchase, to provide funds for payment, to supply funds to or otherwise to invest in such other Person, or otherwise to assure a creditor against loss, (c) all indebtedness or other obligations of any other Person for borrowed money or for the deferred purchase price of property or services secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien, upon or in property (including, without limitation, accounts and contract rights) owned by such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness or other obligations, (d) all direct or contingent obligations of such Person in respect of letters of credit, (e) all lease obligations which have been or should be, in accordance with generally accepted accounting principles applied on a consistent basis, capitalized on the books of such Person as lessee, and (f) guaranties of any of the foregoing; provided that Indebtedness does not include accounts payable and accrued expenses incurred in the ordinary course of business.

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

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

“Initial Interest Rate” means ____ %.

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

“Interest Payment Account” means the Interest Payment Account within the Bond Fund created in the Indenture.

“Interest Payment Date” means each February 1 and August 1, commencing August 1, 2026*, each Mandatory Tender Date and the date of acceleration of the Bonds.

“Interest Rate” means the Initial Interest Rate through and including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

“Investor Member” means Greystone RE Capital MTE 11 LLC, a Delaware limited liability company, the sole member of each of the Borrowers.

“Land Use Restriction Agreement” means, each Land Use Restriction Agreement dated as of December 1, 2025, among the Agency, a Borrower and the Trustee with respect to a project. “Land Use Restriction Agreements” refers to such agreements collectively.

“Lender” initially means Greystone Servicing Company LLC, a Delaware limited liability company, its successors and assigns.

“Lien” means any mortgage, deed of trust, lien, charge, security interest or encumbrance of any kind upon, or pledge of, any property, whether now owned or hereafter acquired, and includes the acquisition of, or agreement to acquire, any property subject to any conditional sale agreement or other title retention agreement, including a lease on terms tantamount thereto or on terms otherwise substantially equivalent to a purchase.

“Mandatory Tender Date” means the Initial Mandatory Tender Date and if the Bonds outstanding are remarketed pursuant to the Indenture for a remarketing period that does not extend to the final maturity of the Bonds, any subsequent mandatory tender date.

“Maturity Date” means February 1, 2030*.

“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 Borrowers and acceptable to the Agency, the Trustee and the Remarketing Agent.

“Mortgage Loan” means, with respect to each Borrower, the senior mortgage loan made by the Lender to the Borrower in connection with the financing of the Project of such Borrower in the principal amount set forth in the Indenture.

“Mortgage Loan Documents” means the documents executed by each Borrower with respect to the making of the Mortgage Loans.

“Mortgage Loans” means, collectively, all of such loans made to the Borrowers in connection with the financing of the Projects.

* Preliminary; subject to change.

“Mortgages” means the security instruments from the Borrowers securing the payment of the Mortgage Loans, as the same may be amended or modified from time to time.

“Opinion of Bond Counsel” means an opinion of Womble Bond Dickinson (US) LLP, or of other counsel designated by the Agency 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.

“Optional Call Date” means February 1, 2027*.

“Ordinary Agency Fees” means (i) an aggregate issuance fee of \$25,000, payable on the Closing Date, (ii) an aggregate annual fee equal to \$25,000 per year payable in advance on January 1, 2026 and on each January 1 thereafter so long as the Bonds are outstanding; (iii) an aggregate one-time financial advisor fee of \$17,000, payable on the Closing Date, (iv) an inspection fee per Project of \$500 for each inspection of the Project by the Agency; such Ordinary Agency Fees to be payable either from the Costs of Issuance Fund, if funded, or from equity funds of the applicable Borrower but not from the Project Fund or the Bond Fund; provided, however, the amount of Ordinary Agency Fees payable from funds held under the Indenture is limited to money withdrawn from the Expense Fund and the Borrowers will be responsible for paying the remaining amount of the Ordinary Agency Fees and Ordinary Expenses pursuant to the Bond Loan Agreement.

“Ordinary Services” and “Ordinary Expenses” mean those services normally rendered, and those expenses normally incurred, by a trustee under instruments similar to the Indenture. Without limiting the generality of this definition, Ordinary Services and Ordinary Expenses shall include, without limitation, services provided to the Trustee in connection with the redemption of Bonds as provided in the Indenture and in connection with any meetings of Holders of the Bonds as provided the Indenture.

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

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

“Paying Agent” means any bank or trust company designated as a Paying Agent by or in accordance with the Indenture.

* Preliminary; subject to change.

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

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

“Principal Payment Account” means the Principal Payment Account within the Bond Fund created in the Indenture.

“Pro Rata Share” means, as the context requires, a Borrower’s portion of shared costs of administering the Bonds. The Pro Rata Share for each Borrower shall be the percentage that the Allocated Bonds of the Project bears to the aggregate principal amount of the Bonds.

“Project” means, with respect to each Borrower, the acquisition, rehabilitation and equipping by such Borrower of the property described in the Indenture and in “THE PROJECTS” herein and associated with that Borrower. “Projects” means, collectively, all of such Projects.

“Project Costs” means the costs of the Projects specified below:

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

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the Construction Period with respect to a Project;

(c) Taxes, assessments and other governmental charges in respect of a Project that may become due and payable during the Construction Period;

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

(e) Subject to the Bond Loan Agreement, financial, legal, accounting, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee, the Registrar and any Paying Agent properly incurred under the Indenture that may become due and payable during the Construction Period;

(f) Any other costs, expenses, fees and charges properly chargeable to the capital account for a Project for the cost of acquisition, financing, construction, rehabilitation, remodeling, improvement and equipping of the Project;

(g) Payment of interest on the Bonds during the Construction Period; and

(h) Payments to the Rebate Fund.

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

“Qualified Project Period” means the period beginning on the first day on which at least ten percent (10%) of the residential units in the related Project were first occupied and ending on the latest of:

(i) the date which is fifteen (15) years after the date on which at least fifty percent (50%) of the residential units in the related Project are occupied;

(ii) the first date on which no Bonds (or any other “tax exempt private activity bonds”, within the meaning of Section 142(d)(2)(A)(ii) of the Code) issued with respect to the related Project are outstanding; or

(iii) the date on which any assistance provided with respect to the related Project under the Section 8 Program terminates.

“Qualified Tenants” means persons or families within the Beneficiary Class.

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

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

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

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

“Registrar” means the Trustee, until a successor Registrar shall have become such pursuant to applicable provisions of the Indenture; each Registrar shall be a transfer agent registered in accordance with Section 17A(c) of the Securities Exchange Act of 1934.

“Regular Record Date” means the fifteenth day of the calendar month next preceding an Interest Payment Date applicable to that Bond.

“Remarketing Agent” means Stifel, Nicolaus & Company, Incorporated and any successor Remarketing Agent that may be appointed by the Agency or the Borrowers.

“Remarketing Rate” means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including the Mandatory Tender Date to a new Mandatory Tender Date or the Maturity Date, as applicable, determined pursuant to the Indenture.

“RHS” means the Rural Housing Service, an agency of the United States Department of Agriculture.

“RHS Requirements” means all applicable RHS regulations and administrative guidelines.

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

“Section 8” means Section 8 of the United States Housing Act of 1937, as amended.

“Section 8 Program” means proceeds from one or more loans previously made for any Project under the RHS department of the United States Department of Agriculture Section 515 Program that is being assumed by a Borrower in connection with the financing of its Project and/or a loan previously made by the Agency for any Project that is being assumed by a Borrower in connection with the financing of its Project.

“Sole Member” means Landura Portfolio, LLC, a North Carolina limited liability company, the sole member and manager of each Borrower.

“Special Funds” means, collectively, the Bond Fund, the Collateral Fund and the Project Fund (excluding the Costs of Issuance Account) and any accounts therein, all as created in the Indenture.

“State” means the State of North Carolina.

“Subordinate Loan” means the one or more loans made for any Project under the RHS of the USDA Section 515 Program that is being assumed by a Borrower in connection with the financing of its Project, and the FARHH Loans.

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

“Tax Agreement” means the Tax Regulatory Agreement, among the Agency, the Borrowers and the Trustee dated as of the date of issuance of the Bonds.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., until a successor Trustee has become such pursuant to the applicable provisions of the Indenture, and thereafter, “Trustee” will mean the successor Trustee.

“Unassigned Agency’s Rights” means all of the rights of the Agency to receive Additional Payments under the Bond Loan Agreement, to be held harmless and indemnified thereunder, to be an insured, to be reimbursed for attorney’s fees and expenses, to receive notices and to give or withhold consent to amendments, changes, modifications, alterations and termination of the Bond Loan Agreement thereunder.

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

“Unredeemed Bonds” means Bonds tendered or deemed tendered on a Mandatory Tender Date that are remarketed on such date pursuant to the Indenture rather than redeemed pursuant to the Indenture.

“USDA” means the United States Department of Agriculture.

APPENDIX B

FORM OF BOND COUNSEL OPINION

December __, 2025

North Carolina Housing Finance Agency
Raleigh, North Carolina

The Bank of New York Mellon Trust Company, N.A.
Jacksonville, Florida

\$48,474,000*

NORTH CAROLINA HOUSING FINANCE AGENCY
MULTIFAMILY HOUSING REVENUE BONDS
(HARMONY HOUSING DEVELOPMENT LANDURA PORTFOLIO), SERIES 2025

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of \$48,474,000* North Carolina Housing Finance Agency Multifamily Housing Revenue Bonds (Harmony Housing Development Landura Portfolio), Series 2025 (the “Bonds”) by the North Carolina Housing Finance Agency (the “Agency”). The Bonds are being issued pursuant to Chapter 122A of the General Statutes of North Carolina, as amended (the “Act”), and a Trust Indenture, dated as of December 1, 2025 (the “Indenture”), between the Agency and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Bonds are being issued by the Agency to make separate loans to ten limited liability companies identified in the Indenture (each a “Borrower” and, collectively, the “Borrowers”), for the purpose of providing funds, together with other available funds, to (a) pay the costs of acquisition, rehabilitation and equipping of ten separate multifamily housing facilities, each to be owned and operated by the corresponding Borrower (a “Project,” and, collectively, the “Projects”) in order to provide residential rental housing opportunities for persons of low and moderate income and (b) pay certain expenses incurred in connection with the issuance of the Bonds.

The Agency is lending the proceeds of the Bonds to the respective Borrowers pursuant to the Loan Agreement, dated as of December 1, 2025 (the “Bond Loan Agreement”), between the Agency and each of the Borrowers. To evidence the loan by the Agency to a Borrower of a portion of the proceeds of the Bonds, such Borrower has executed and delivered to the Agency a promissory note, dated the date hereof (a “Note” and, collectively, the “Notes”), in an amount equal to the aggregate principal amount of the Bonds allocated to that Borrower. All right, title and interest of the Agency in and to the Notes and the Bond Loan Agreement (except for certain reserved rights) has been assigned by the Agency to the Trustee as security for the payment of the Bonds.

The Indenture provides that the payments received pursuant to each Note shall be deposited to the credit of a special fund created by the Indenture and so designated thereunder (the “Bond Fund”). The principal of, premium, if any, and interest on the Bonds are payable from the payments made by the Borrowers pursuant to the respective Notes and the Bond Loan Agreement and from other moneys in the Bond Fund.

* Preliminary; subject to change.

The Bonds will bear interest at the rates determined in accordance with the Indenture. The Bonds mature on February 1, 2030* and are subject to mandatory tender and redemption by the Agency in accordance with the terms of the Indenture.

The Agency and each Borrower have entered into a Land Use Restriction Agreement, dated as of December 1, 2025 (a “Land Use Restriction Agreement” and, collectively, the “Land Use Restriction Agreements”) with respect to the Project to be owned and operated by that Borrower. Each Land Use Restriction Agreement sets forth certain restrictions and covenants with respect to the acquisition, rehabilitation and equipping of the multifamily housing facilities to be financed on behalf of that respective Borrower and with respect to the operation of that Project by the Borrower as a multifamily housing facility. Such restrictions and covenants are designed to assure that the respective Project meets the requirements imposed by the Internal Revenue Code of 1986, as amended (the “Code”) for “qualified residential rental projects” within the meaning of Section 142(a)(7) of the Code, in addition to certain other provisions of the Code applicable to the Bonds.

Based upon such examination, we are of the opinion, as of the date hereof and under existing law, that:

1. The Bonds have been duly authorized, executed and delivered by the Agency and are valid and binding limited obligations of the Agency payable in accordance with their terms from payments to be made by the Borrowers pursuant to the Notes and the Bond Loan Agreement, from certain funds and accounts held by the Trustee under the Indenture and the income from the investment thereof and, under certain circumstances, remedial action taken pursuant to the Bond Loan Agreement and the Indenture.

2. The Indenture has been duly authorized, executed and delivered by the Agency and is a valid and binding agreement of the Agency enforceable in accordance with its terms.

3. The Bond Loan Agreement has been duly authorized, executed and delivered by the Agency and, assuming the due authorization, execution and delivery by the Borrowers, constitutes a valid and binding agreement of the Agency, enforceable in accordance with its terms. The Notes have been endorsed, without recourse, by the Agency to the Trustee.

4. The Bonds do not constitute a debt, liability or obligation of the State of North Carolina or of any political subdivision thereof or a pledge of the faith and credit of the State or of any such political subdivision, but are payable solely from the revenues or assets of the Agency pledged under the Indenture. The Agency is not obligated to pay the Bonds nor the interest thereon except from the Trust Estate created under the Indenture and other funds pledged thereunder and neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds.

5. Assuming continuing compliance by the Agency and the Borrowers with their respective covenants in the Bond Loan Agreement, the Land Use Restriction Agreements and the Indenture to comply with certain requirements of the Code, regarding, among other matters, the use, expenditure and investment of Bond proceeds and the timely payment of certain investment earnings to the United States Treasury, based on existing statutes, regulations, rulings and court decisions, interest on the Bonds is not includable in gross income of the owners thereof for purposes of federal income taxation (except for any owner who is a “substantial user” of a Project or a “related person” of a “substantial user” (as such terms are defined in the Code)). In addition, interest on the Bonds is not treated as a preference item for purposes of computing the alternative minimum tax imposed by the Code; however, interest on the Bonds held by

* Preliminary; subject to change.

certain corporations is included in the computation of “adjusted financial statement income” for purposes of computing the federal alternative minimum tax. A failure by the Agency or any Borrower to comply with their respective covenants to comply with certain requirements of the Code may cause the interest on the Bonds to become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds. The covenant of the Agency described above does not require the Agency to make any financial contribution to the Borrowers or the Trustee under the Indenture for which it does not receive funds from the Borrowers.

6. Interest on the Bonds is exempt from all State of North Carolina income taxes.

The Code and other laws of taxation, including the laws of taxation of the State of North Carolina, of other states and of local jurisdictions, may contain other provisions that could result in tax consequences, upon which we render no opinion, as a result of the ownership or transfer of the Bonds or the inclusion in certain computations of interest that is excluded from gross income for purposes of federal and North Carolina income taxation.

The enforceability of the Indenture, the Bond Loan Agreement and the Notes and the obligations of the aforementioned parties with respect to such documents are subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws affecting creditors’ rights generally. To the extent that remedies under the Indenture, the Bond Loan Agreement or the Notes require enforcement by a court of equity, the enforceability thereof may be limited by such principles of equity as the court having jurisdiction may impose.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

WOMBLE BOND DICKINSON (US) LLP

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following, in addition to the information provided under “THE BONDS”, summarizes certain provisions of the Indenture, to which reference is made for the detailed provisions thereof.

Creation of Trust

To secure the payment of Bond Service Charges on the Bonds, the Agency will assign to the Trustee its right, title and interest in (i) the Pledged Revenues, including, without limitation, all Bond Loan Payments and other amounts receivable by or on behalf of the Agency under the Bond Loan Agreement in respect of repayment of the Bond Loans, (ii) the Special Funds, including all accounts (except the Costs of Issuance Account) in those Funds and all moneys deposited therein and the investment earnings on such moneys, (iii) subject to the provisions of the Bond Resolution, all right, title and interest of the Agency in the proceeds derived from the sale of the Bonds, and any securities in which moneys in the Special Funds are invested, and (except for moneys required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Agency or by anyone in its behalf, or with its written consent, to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, (iv) the Bond Notes and (v) the Bond Loan Agreement, except for (relating to all clauses (i) through (v)) the Unassigned Agency’s Rights (the foregoing collectively referred to as the “Trust Estate”).

Creation of Funds; Allocation of Bond Proceeds

The funds and accounts described in this section, designated as indicated are created by the Indenture. Each Fund is to be maintained in the custody of the Trustee as a separate bank account. The funds and accounts are:

- (1) the Bond Fund and the “Interest Payment Account,” “Principal Payment Account” and the “Initial Deposit Account” therein;
- (2) the Project Fund and the “Costs of Issuance Account” therein;
- (3) the Collateral Fund;
- (4) the Rebate Fund; and
- (5) the Eligible Funds Account.

The proceeds of the sale of the Bonds in the amount set forth in the Indenture, shall be allocated, deposited or delivered by the Trustee on the Closing Date to the Project Fund.

On the Closing Date, the Trustee shall deposit the amount set forth in the Indenture received by or on behalf of the Borrowers, from money other than the proceeds of the Bonds, in the Costs of Issuance Account in the Project Fund. In addition, the Borrowers shall cause to be deposited the amount set forth in the Indenture in Eligible Funds to the Initial Deposit Account of the Bond Fund and the Eligible Funds Account.

Application of Bond Loan Payments

So long as there are any Outstanding Bonds, any payments by the Borrowers pursuant to the Bond Notes and the Bond Loan Agreement shall be paid on each Bond Loan Payment Date directly to the Trustee, and deposited as follows: (1) into the Interest Payment Account, at least the amount necessary to pay the interest on the Bonds on the next succeeding Interest Payment Date; and (2) into the Principal Payment Account, at least the amount necessary to pay the principal due on the Bonds on the next succeeding Interest Payment Date.

Disbursements from and Records of Project Fund

Amounts on deposit in the Costs of Issuance Account of the Project Fund shall be used by the Trustee to pay costs of issuance as directed by the Agency. Any amounts remaining on deposit in the Costs of Issuance Account 90 days after the Closing Date shall be returned to or used at the direction of the Authorized Borrowers Representative.

When the Trustee receives a written request from the Authorized Borrowers Representative for disbursement from the Project Fund in accordance with the provisions of the Bond Loan Agreement, the Trustee shall confirm that Eligible Funds equal to or greater than the sum of (a) the amount set forth in the request for disbursement and (b) all prior disbursements made are on deposit in the Collateral Fund. Upon confirmation of the above, the Trustee shall thereafter disburse funds to pay Project Costs in the amount requested from the Project Fund as directed by the Authorized Borrowers Representative.

To the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is authorized to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund or (ii) allocate a like amount from the Collateral Fund to the Project Fund. Such an allocation shall be made upon the request of the Authorized Borrowers Representative substantially in the form attached to the Indenture as an exhibit. Each such request shall be consecutively numbered. Such allocations between the Project Fund and the Collateral Fund may be made without any liquidation of Eligible Investments previously allocated to the Project Fund (and reallocated to the Collateral Fund). Payments from the Project Fund shall be paid by wire transfer to the applicable party as directed by the applicable Borrower. If the deposit to the Collateral Fund is deposited by noon Eastern time, then the wire transfer shall occur no later than the close of business on the Business Day the day the deposit is made. If the deposit to the Collateral Fund is deposited after noon Eastern time, then the wire transfer shall occur no later than 10:00 a.m. Eastern time on the Business Day following the day the deposit is made.

Payments from the Project Fund shall be paid by wire transfer to the applicable party as directed by the applicable Borrower. If the deposit to the Collateral Fund is deposited by noon Eastern time, then the wire transfer shall occur no later than the close of business on the Business Day the day the deposit is made. If the deposit to the Collateral Fund is deposited after noon Eastern time, then the wire transfer shall occur no later than 10:00 a.m. Eastern time on the Business Day following the day the deposit is made.

The Trustee shall cause to be kept and maintained adequate records pertaining to the amounts deposited to the Project Fund, the investment thereof and all disbursements therefrom as provided in the Indenture. After a Project has been completed and a certificate of payment of all costs for such Project is filed as provided in the Indenture, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with respect to that Project with the Agency, the Authorized Borrowers Representative, the Lender and the Investor Member.

For each Project, the proceeds of the Allocated Bonds shall be used or deemed used 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) if made for the acquisition of existing property, are made in compliance with Section 147(d) of the Code, and (ii) are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code.

In addition, for each Project the proceeds of the Allocated Bonds shall be used or deemed used to pay costs of such Project so that the proceeds of the Allocated Bonds shall be deemed allocated on a pro rata basis to the buildings in the Project and the land on which it is located so that the buildings and the land on which it is located will have been financed fifty percent (50%) or more by the proceeds of the Allocated Bonds for purposes of complying with Section 42(h)(4)(B) of the Code; provided, however, the representation, covenant and warranty set forth in this paragraph is made for the benefit of the Borrowers and their respective members and neither the Trustee nor the Agency shall have any obligation to enforce this covenant nor shall they incur any liability to any person, including without limitation, a Borrower, any member of a Borrower, any other affiliate of a 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 of the Bonds has been declared to be due and immediately payable pursuant to the Indenture, any moneys remaining in the Project Fund shall be promptly transferred by the Trustee to the Bond Fund.

Collateral Fund

Eligible Funds shall be deposited from time to time in the Collateral Fund in such amounts and at such times as may be necessary to allow the Trustee to transfer funds from the Project Fund upon the Trustee's receipt of a request for disbursement from the Borrowers. The Collateral Fund shall only be used and applied for, and irrevocably committed to, the payment of (i) the Bond Service Charges on the Bonds that are due and payable on any Interest Payment Date and the Maturity Date and (ii) the Bond Services Charges on the Bonds as and when due at any other Bond Payment Date.

Bond Fund

The Bond Fund (and accounts therein for which provision is made in the Indenture or in the Bond Loan Agreement) and the moneys and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due and at stated maturity, Mandatory Tender, or upon acceleration, all as provided in the Indenture and in the Bond Loan Agreement.

The Trustee shall transmit to any Paying Agents, as appropriate, from moneys on deposit in the Bond Fund, amounts sufficient to make timely payments of Bond Service Charges on the Bonds. To the extent that the amount needed by any Paying Agent is not sufficiently predictable, the Trustee may make any credit arrangements with that Paying Agent which will permit those payments to be made. The Agency authorizes and directs the Trustee to cause withdrawal of moneys from the Bond Fund which are available for the purpose of paying, and are sufficient to pay, Bond Service Charges on the Bonds as they become due and payable, for the purposes of paying or transferring moneys to the Paying Agents which are necessary to pay such Bond Service Charges. Amounts credited to or on deposit in the Initial Deposit Account shall be transferred to the Interest Payment Account of the Bond Fund on each Bond Loan Payment Date in order to provide for the payment of Bond Service Charges on the next succeeding Bond Payment Date.

In the event that amounts on deposit in the Interest Payment Account and Principal Payment Account of the Bond Fund on any Bond Loan Payment Date are insufficient to make the payment of Bond Service Charges due on the next succeeding Bond Payment Date, the Trustee shall transfer funds in the following order to the applicable account of the Bond Fund and use such funds, together with amounts then on deposit in the Bond Fund, to pay the Bond Service Charges due on the next succeeding Bond Payment Date: (i) first, from amounts on deposit in the Initial Deposit Account of the Bond Fund; (ii) second, from amounts on deposit in the Collateral Fund; and (iii) third, from amounts on deposit in the Project Fund.

Upon receipt of (a) a Confirmation of Rating provided by the Rating Agency and (b) a Cash Flow Projection provided on behalf of a Borrower, the Trustee is authorized by the Indenture to release from the Initial Deposit Account the amount set forth in the Cash Flow Projection to or at the direction of such Borrower.

Investment of Special Funds, Eligible Funds Account and Rebate Fund

Except as otherwise set forth in the Indenture, moneys in the Special Funds, Eligible Funds Account and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Authorized Borrowers Representative. At no time shall the Authorized Borrowers Representative direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Each investment of moneys in a Project Fund shall mature or be redeemable without penalty at such time as may be necessary to make payments from the Project Fund, including on each Interest Payment Date, any Mandatory Tender Date and the Maturity Date. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Special Funds to produce sufficient moneys applicable under the Indenture to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Agency and without restriction by reason of any order. The Trustee may conclusively rely upon the Borrower's written instructions as to both the suitability and legality of the directed investments. In no event shall the Trustee be liable for investment losses incurred thereon. An investment made from moneys credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund shall be credited to the Interest Payment Account of the Bond Fund. All investment earnings from amounts on deposit in the Collateral Fund shall be credited to the Interest Payment Account of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Special Funds shall be credited to and become part of the Special Funds from which the investment was made, except that investment earnings from investments in the Collateral Fund shall be used as described in the preceding sentence. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Eligible Funds Account shall be credited to and become part of the Eligible Funds Account.

Notwithstanding the foregoing, any moneys held under the Indenture without the written direction of the Authorized Borrowers Representative shall be invested, to the extent available, solely in Government Obligations that are U.S. treasury bonds with a maturity of not more than 30 days.

Although the Agency recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Agency 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 and that no statement need be rendered for any fund or account if no activity occurred in such fund or account during such month.

Eligible Funds Account

The Borrowers may from time to time arrange for delivery to the Trustee of funds to be deposited in the Eligible Funds Account. Such amounts shall be held, transferred or transmitted per the written instructions of the Authorized Borrowers' Representative utilizing the requisition form attached to the Indenture as an exhibit. Additionally, to the extent set forth in the requisition form, Eligible Funds on deposit in the Eligible Funds Account may be transferred to the Collateral Fund in the amounts and at such times as may be necessary to allow the Trustee to transfer funds from the Project Fund upon the Trustee's receipt of a request for disbursement.

Upon the Discharge of the Indenture pursuant to the provisions thereof, any funds remaining in the Eligible Funds Account shall be paid as directed by the Borrowers' Representative.

Defaults; Events of Default

Each of the following is an "Event of Default" under the Indenture:

- (a) failure to pay when due any interest on any Bond;
- (b) failure to pay when due principal of any Bond whether at the stated maturity thereof, by acceleration or otherwise;
- (c) failure by the Agency to perform or observe any other covenant, agreement or obligation on its part contained in the Indenture or the Bonds which failure has continued for a period of 30 days after written notice as provided in the Indenture which notice may be given by the Trustee in its discretion and which notice must be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding; and
- (d) the occurrence and continuance of an "Event of Default" as defined in the Bond Loan Agreement.

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

Acceleration

Upon the occurrence of an Event of Default described in (a) and (b) of the heading "Defaults; Events of Default", the Trustee may declare, and upon the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then outstanding the Trustee will declare, by a notice in writing delivered to the Agency and the Authorized Borrowers Representative, the principal of all Bonds then outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. Upon the occurrence of any Event of Default other than those described in (a) and (b) of the heading "Defaults; Events of Default", the Trustee may, with the written consent of all Holders of Bonds then outstanding, declare by a notice in writing delivered to the Agency and the Authorized Borrowers Representative, the principal of all Bonds then outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, that principal and interest shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any

unpaid principal of Bonds outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

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

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

(b) all existing Events of Default shall have been cured,

then and in every case, the Trustee shall waive the Event of Default and its consequences and shall rescind and annul that declaration. No waiver or rescission and annulment shall extend to or affect any subsequent Event of Default or shall impair any rights consequent thereon.

Other Remedies; Rights of Holders

With or without taking an acceleration as described in the heading "Acceleration" above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Bond Loan Agreement, the Tax Agreement, the Land Use Restriction Agreements or the Bond Notes or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least 25% in aggregate principal amount of Bonds outstanding and indemnified as provided in the Indenture, the Trustee will exercise such of the rights and powers conferred upon it under the Indenture.

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

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

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

As the assignee of all right, title and interest of the Agency in and to the Bond Loan Agreement (except for the Unassigned Agency's Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Agency under the Bond Loan Agreement. In exercising any remedy, right or power

under the Indenture or the Bond Loan Agreement, the Trustee shall take such action as may be directed by the requisite percentage of the Holders of the Bonds then outstanding, applying the standards described in the Indenture.

Right of Holders to Direct Proceedings

Anything to the contrary in the Indenture notwithstanding, the Holders of a majority in aggregate principal amount of Bonds then outstanding shall have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and the Indenture and that the Trustee will be indemnified as provided in the Indenture.

Application of Moneys

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of moneys and to all fees of the Trustee for Ordinary and Extraordinary Expenses pursuant to any right given or action taken under the provisions of the Indenture, the Bond Loan Agreement, the Tax Agreement, the Land Use Restriction Agreements or the Bond Notes (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the Indenture), all moneys received by the Trustee, shall be applied as follows, subject to the Indenture:

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

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

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

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

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to the Indenture, and if that declaration thereafter shall have been rescinded and annulled under the provisions of the Indenture, subject to the provisions of paragraph (b) of this section in the event that the principal of all of the Bonds shall become due and payable later, the moneys shall be deposited in the Bond Fund and shall be applied in accordance with the provisions of the Indenture.

(d) Whenever moneys are to be applied pursuant to the provisions of this section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent with the requirements of the Indenture for the establishment of, and for giving notice with respect to, a Special Record Date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully.

Rights and Remedies of Holders

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

(a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture, or of which it is deemed to have notice under the Indenture,

(b) the Holders of at least 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Indenture, and

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

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

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

Waivers of Events of Default

The Trustee shall waive any Event of Default under the Indenture and its consequences and may rescind and annul any declaration of maturity of principal of or interest on, the Bonds upon the written request of the Holders of: (i) at least a majority in aggregate principal amount of all Bonds then outstanding with respect to which an Event of Default in the payment of Bond Service Charges exists, or (ii) at least 25% in aggregate principal amount of all Bonds then outstanding, in case of any other Event of Default. There will not be so waived, however, any Event of Default described in paragraph (a) or (b) of “Defaults; Events of Default” above or any declaration of acceleration in connection therewith rescinded or annulled, unless at the time of that waiver or rescission and annulment payments of all amounts payable under the Indenture for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default will have been discontinued, abandoned or determined adversely to it, the Agency, the Trustee and the Holders will be restored to their former positions and rights under the Indenture, respectively. No waiver or rescission will extend to any subsequent or other Event of Default or impair any right consequent thereon.

Supplemental Indentures Not Requiring Consent of Holders

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

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) to assign additional revenues under the Indenture;
- (d) to accept additional security and instruments and documents of further assurance with respect to the Projects;
- (e) to add to the covenants, agreements and obligations of the Agency under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Agency in the Indenture;
- (f) to evidence any succession to the Agency and the assumption by its successor of the covenants, agreements and obligations of the Agency under the Indenture, the Bond Loan Agreement and the Bonds;
- (g) to permit the Trustee to comply with any obligations imposed upon it by law;
- (h) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Authenticating Agents or Paying Agents;
- (i) to achieve compliance of the Indenture with any applicable federal securities or tax law;

(j) to make amendments to the provisions of the Indenture relating to arbitrage matters under Section 148 of the Code, if, in the Opinion of Bond Counsel, those amendments would not cause the interest on the Bonds outstanding to be included in gross income of the Holders for federal income tax purposes which amendments may, among other things, change the responsibility for making the relevant calculations, provided that in no event will such amendment delegate to the Trustee without its consent, in its sole discretion the obligation to make or perform the calculations required by Section 148 of the Code; and

(k) to permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

The provisions of clauses (i) and (k) shall not be deemed to constitute a waiver by the Trustee, the Registrar, the Agency or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to the Indenture or the Bonds.

Supplemental Indentures Requiring Consent of Holders

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

(i) without the consent of the Holder of each Bond affected, no supplemental indenture will permit an extension of the maturity of the principal of or the interest on any Bond, or a reduction in the principal amount of any Bond or the rate of interest on any Bond, and

(ii) without the consent of the Holders of all Bonds then outstanding, no supplemental indenture will permit a privilege or priority of any Bond over any other Bond, or a reduction in the aggregate principal amount of Bonds required for consent to such supplemental indenture.

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

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

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

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

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

Release of Indenture

If (i) the Agency shall pay all of the Outstanding Bonds, or shall cause them to be paid and discharged, or if there otherwise shall be paid to the Holders of the Outstanding Bonds, all Bond Service Charges due or to become due thereon, and (ii) provision also shall be made for the payment of all other sums payable under the Indenture, including the Trustee's fees and expenses, or under the Bond Loan Agreement, the Tax Agreement, the Land Use Restriction Agreements and the Bond Notes, then the Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to the heading "Payment and Discharge of Bonds" below), and the covenants, agreements and obligations of the Agency hereunder shall be released, discharged and satisfied.

Thereupon, and subject to the provisions of the Indenture,

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

(b) the Trustee and any other Paying Agents shall assign and deliver to the Agency any property subject at the time to the lien of the Indenture which then may be in their possession, except amounts in the Bond Fund required (a) to be paid to the Borrowers under the Indenture, or

(b) to be held by the Trustee and the Paying Agents under the Indenture or otherwise for the payment of Bond Service Charges.

Payment and Discharge of Bonds

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

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

(b) the Trustee shall have received, in trust for and irrevocably committed thereto, noncallable direct obligations of or obligations guaranteed as to full and timely payment by the United States of America which are certified by an Independent firm acceptable to the Trustee to be of such maturity or redemption dates and interest payment dates, and to bear such interest, as will be sufficient together with any moneys to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so irrevocably committed, except as provided in the Indenture),

for the payment of all Bond Service Charges on those Bonds at their maturity; provided however, in the case of clause (b), the Trustee and the Agency must receive an Opinion of Bond Counsel to the effect that the receipt, use and investment of the obligations will not cause the interest on the Bonds outstanding to be included in gross income of the Holders for federal income tax purposes.

Any moneys held by the Trustee in accordance with the provisions of this section may be invested by the Trustee only in noncallable direct obligations of or obligations guaranteed as to full and timely payment by the United States of America having maturity dates, or having redemption dates which, at the option of the Holder of those obligations, shall be not later than the date or dates at which moneys will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under this Section is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for the purposes of this section, that income, interest or increment shall be transferred at the time of that determination in the manner provided in the Indenture for transfers of amounts remaining in the Bond Fund.

If any Bonds shall be deemed paid and discharged pursuant to this section, then within 15 days after such Bonds are so deemed paid and discharged the Trustee shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Bonds are deemed paid and discharged. Such notice shall state the numbers of the Bonds deemed paid and discharged or state that all Bonds are deemed paid and discharged and shall set forth a description of the obligations held pursuant to subparagraph (b) of the first paragraph of this section.

Extent of Agency’s Covenants; No Personal Liability

All covenants, stipulations, obligations and agreements of the Agency contained in the Indenture are and shall be deemed to be covenants, stipulations, obligations and agreements of the Agency to the full extent authorized by the Act and permitted by the Constitution of the State. No covenant, stipulation, obligation or agreement of the Agency contained in the Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Agency or the Board in other than that person’s official capacity. Neither the members of the Board nor any official executing the Bonds, the Indenture, the Bond Loan Agreement or any amendment or

supplement thereto shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance or execution thereof.

Amendments Not Requiring Consent of Holders

Without the consent of or notice to the Holders, the Agency, a Borrower, the Investor Member and the Trustee may consent to any amendment, change or modification of the Bond Loan Agreement, Tax Agreement, Land Use Restriction Agreement or a Bond Note relating to that Borrower as may be required (i) by the provisions of the Bond Loan Agreement, Tax Agreement, Land Use Restriction Agreement or the Indenture, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Bond Loan Agreement, the Tax Agreement, the Land Use Restriction Agreement or the Bond Note, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of the Indenture, or (iv) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders of the Bonds, in the judgment of the Trustee, applying the standards described in the Indenture.

Amendments Requiring Consent of Holders

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

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

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

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

If the Agency or the Authorized Borrowers Representative shall request at any time the consent of the Trustee to any proposed amendment, change or modification of the Bond Loan Agreement, Tax Agreement, Land Use Restriction Agreement or a Bond Note contemplated in the Indenture, upon being indemnified satisfactorily with respect to expenses, the Trustee shall cause notice of the proposed amendment, change or modification to be provided in the manner which is required by the Indenture with respect to notice of Supplemental Indentures. The notice shall set forth briefly the nature of the proposed amendment, change or modification and shall state that copies of the instrument or document embodying it are on file at the designated corporate trust office of the Trustee for inspection by all Holders.

RHS Requirements to Control

To the extent there is any conflict, inconsistency or ambiguity between or among the provisions of the Indenture and the RHS Requirements or the Mortgage Loan Documents, then in such event the RHS Requirements or the Mortgage Loan Documents will be deemed to be controlling and any such ambiguity

or inconsistency will be resolved in favor of and pursuant to the RHS Requirements or the provisions of the Mortgage Loan Documents.

Notwithstanding anything to the contrary contained in the Indenture, the enforcement of the Indenture shall not result in any claim against a Project, Mortgage Loans proceeds, any reserve or deposit made with the Lender or with another person or entity required by RHS in connection with the Mortgage Loans transactions, or against rents or other income from the Project other than seventy-five percent (75%) of available “surplus cash” as defined in the Mortgage Loan Documents available for distribution to the Borrowers under the Mortgage Loan Documents. Nothing contained in this subsection, however, shall prevent or preclude the Trustee from using funds on deposit in the Bond Fund to make payments to Holders as and to the extent expressly permitted by the provisions of the Indenture and/or to use funds on deposit in the Project Fund and Collateral Fund to make payments to or on behalf of the Lender.

If the Indenture contains any provision requiring the Agency, a Borrower, the Trustee or any other party to the transaction to take any action necessary to preserve the tax exemption of interest on the Bonds, or prohibiting any such party to the transaction from taking any action that might jeopardize such tax exemption, such provision is qualified to except any actions required (or prohibited) by RHS pursuant to applicable RHS Requirements and the Mortgage Loan Documents.

Notwithstanding any provision of the Indenture to the contrary, the parties to the Indenture acknowledge and agree that all of their respective rights and powers to any assets or properties of, and payments from, the Borrowers are subordinate and subject to the liens and/or security interests created by the Mortgages, together with any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other documents executed by the Borrower as required by RHS in connection therewith.

RHS and Lender are intended to be third party beneficiaries of this section, with the right to enforce its provisions. No amendment of this section may be made without the written consent of RHS and Lender.

Recycling Transactions

Notwithstanding any provisions of the Indenture to the contrary, the Agency shall be permitted to direct payments of the Bond principal prepayments to be transferred to a custodian or trustee selected by the Agency, in lieu of application to prepay a like portion of the Bonds, so long as the Agency simultaneously causes other Eligible Funds to be applied to prepay such portion of the Bonds. The preceding provisions shall apply only for purposes of preserving or “recycling” private activity bond volume cap in accordance with Section 146(i)(6) of the Code. In connection with such recycling and Bond prepayment, if so directed in a written direction of the Agency provided to the Trustee prior to any prepayment date, the Trustee is thereby authorized and directed to receive any such Bond prepayment or amounts corresponding thereto and to hold such amounts, uninvested, for such period of time and to transfer such amounts to the Agency, or to such custodian, fiscal agent or trustee designed by the Agency and specified in such written direction. For purposes of effectuating the foregoing, the Trustee is thereby authorized and directed to open and create such funds or accounts, which may be temporary in nature, as may be necessary or desirable, and to close such funds or accounts following the completion of the transfers set forth in such written direction.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT

The following summarizes certain provisions of the Bond Loan Agreement, to which reference is made for the detailed provisions thereof.

Disbursements of Proceeds of the Allocated Bonds from the Project Fund

Disbursements of proceeds of the Allocated Bonds from the Project Fund to the respective Borrower shall be made only to pay Project Costs. No Borrower shall be entitled to request a disbursement from the Project Fund if an Event of Default under the Bond Loan Agreement has occurred and is continuing with respect to a particular Borrower for which its Pro Rata Share of the principal amount of the Bonds has been declared to be immediately due and payable pursuant to the Bond Loan Agreement and the Indenture.

Any disbursements from the Project Fund shall be made by the Trustee only as permitted pursuant to the Indenture and upon the written requisition of the Authorized Borrowers Representative. Each requisition shall be substantially in the form of an exhibit attached to the Bond Loan Agreement, and the requisitions submitted shall be consecutively numbered. In connection with its approval of each requisition, the Borrowers shall cause the Lender to make a deposit (using its own funds and not any funds derived from any Borrower) with the Trustee of an amount equal to the amount requested under the requisition.

Any moneys for a Project in the Project Fund derived from the Allocated Bonds and remaining after (1) the Completion Date for that Project and (2) the payment, or provision for payment, in full of the Project Costs related to that Project, shall, at the direction of the Authorized Borrowers Representative, be promptly paid into the Bond Fund for payment of Bond Service Charges.

Notwithstanding anything in this section to the contrary, the Trustee shall be permitted by the Bond Loan Agreement to transfer funds from the Project Fund directly to the Collateral Fund upon the request of the Authorized Borrowers Representative substantially in the form attached to the Indenture as an exhibit. Each such request shall be consecutively numbered.

Notwithstanding any provision of the Bond Loan Agreement or any provisions of the Indenture to the contrary, the Trustee shall not disburse funds from the Project Fund unless and until the Trustee confirms that the sum of all funds in the Collateral Fund plus all funds in the Project Fund will, following the disbursement, be at least equal to the then outstanding principal amount of the Bonds.

Loan Repayment; Delivery of Bond Notes

Under the Bond Loan Agreement, the Agency will make a loan to each Borrower in the amount of the Allocated Bonds allocated to such Borrower. In consideration of and in repayment of the respective Bond Loan to it, each Borrower shall deliver or cause to be delivered to the Trustee on or before each Bond Loan Payment Date, Bond Loan Payments, equal to the amount necessary to pay Bond Service Charges on the Allocated Bonds due on the next Bond Payment Date. Each Borrower is only responsible for its Pro Rata Share of the Bond Loan Payments and Bond Service Charges. All such Bond Loan Payments shall be paid to the Trustee in accordance with the terms of the Bond Note of the respective Borrower, for the account of the Agency, and shall be held and disbursed in accordance with the provisions of the Indenture and the Bond Loan Agreement.

Each Borrower shall be entitled to a credit against the Bond Loan Payments required to be made by it under the Bond Loan Agreement, on any date, equal to the amounts, if any, allocated to such Borrowers

from amounts transferred by the Trustee from the Initial Deposit Account, the Project Fund or the Collateral Fund on such date for the payment of Bond Service Charges.

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

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

The Borrowers and the Agency each acknowledge that neither the Borrowers nor the Agency has any interest in the Bond Fund or the Collateral Fund and any moneys deposited therein shall be in the custody of and held by the Trustee in trust for the benefit of the Holders.

Borrowers to Maintain their Existence; Sales of Assets or Mergers

Each Borrower shall maintain its existence, not dissolve or sell, transfer or otherwise dispose of all or substantially all of its assets and not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it; provided, that it may do so if the surviving, resulting or transferee entity is other than such Borrower, it assumes in writing all of the obligations of such Borrower under the Bond Loan Agreement, the Tax Agreement and the applicable Land Use Restriction Agreement and it has a net worth equal to or greater than that of such Borrower immediately prior to such consolidation, merger, sale or transfer. Each Borrower shall not permit one or more other entities to consolidate with or merge into it, without the prior written consent of the Agency; or take any action or allow any action to be taken to terminate the existence of such Borrower except as provided in the Bond Loan Agreement. Nothing contained in such Bond Loan Agreement shall limit the rights of (i) any direct or indirect owners of interests in such Borrower to (a) transfer, convey, sell or otherwise dispose (a "Transfer") of its ownership interests to any Affiliate, or in connection with any estate planning, or by operation of law, or (b) make Transfers among and between themselves, or (ii) such Borrower to make Transfers as otherwise permitted by (or subject to the terms and conditions set forth in) the applicable Land Use Restriction Agreement.

Notwithstanding anything to the contrary contained in the Bond Loan Agreement, the following shall be permitted and shall not require the prior written approval of Agency or Trustee: (a) the transfer by any investor in the sole member of Borrower of its interest in such sole member of a Borrower in accordance with the terms of the organizational documents under which such sole member of such Borrower was created and is existing (the "Charter"); (b) the removal of the managing member of the sole member of such Borrower in accordance with its organizing documents and the replacement thereof; (c) the transfer of ownership interests in the sole member of such Borrower; (d) upon the expiration of the tax credit compliance period, the transfer of the interests of any investor in the sole member of such Borrower to such Borrower's sole member or any of its affiliates; and (e) any amendment to the sole member of the Borrower or Borrower's organizing documents to memorialize the transfers or removal described above.

Borrowers Not to Adversely Affect Exclusion from Gross Income of Interest on Bonds

Each Borrower represents that it has taken and caused to be taken, and covenants that it will take and cause to be taken, all actions that may be required, alone or in conjunction with the Agency, for the interest on the Bonds to be and to remain excluded from gross income for federal income tax purposes, and represents that it has not taken or permitted to be taken, and covenants that it will not take or permit to be taken on its behalf, any actions that would adversely affect such exclusion under the applicable provisions of the Code.

Affirmative Covenants

Unless the Agency and the Trustee shall otherwise consent in writing, each Borrower as to itself covenants as follows:

Maintenance of Properties. Each Borrower has agreed to maintain and preserve in good working order and condition, ordinary wear and tear and casualty loss excepted, all of its properties which are necessary or useful in the proper conduct of its business, and will from time to time make all necessary repairs, renewals, replacements, additions and improvements to said properties. All damage to all apartment units will be repaired promptly as practicable and all apartment units will be maintained so as to be available at all times as practicable for habitation.

Keeping of Records and Books of Account. Each Borrower will keep adequate records and books of account in which complete entries will be made in accordance with generally accepted accounting principles, consistently applied, or indicating deviations therefrom, reflecting all financial transactions. Each Borrower will make such records and books of accounts available to the Agency for inspection on its request.

Payment of Taxes, Etc. Each Borrower will promptly as practicable pay and discharge, or cause to be paid and discharged: all taxes, assessments, fees, and other governmental charges or levies or imposed upon it or upon any of its properties, income or profits, before the same will become delinquent; all lawful claims of materialmen, mechanics, carriers, warehousemen, landlords and other similar Persons for labor, materials, supplies and rentals, which if unpaid might by law become a Lien upon its properties; any Indebtedness heretofore or hereafter incurred by it when due, and discharge, perform and observe covenants, provisions and conditions to be discharged, performed and observed by it in connection therewith, or in connection with any agreement or other instrument relating thereto or in connection with any Lien existing at any time upon any of its properties; provided, however, that the Borrowers will not be required to pay any of the foregoing if (a) the amount, applicability or validity thereof will currently be contested in good faith by appropriate proceedings, (b) a Borrower will have set aside on its books adequate reserves with respect thereto, and (c) the title of a Borrower to, and its right to use, its properties is not materially and adversely affected thereby.

Insurance. Each Borrower will at all times maintain or cause to be maintained, insurance of such types and in such amounts as required by the Lender.

Notice of Material Litigation. Each Borrower shall promptly as practicable notify the Trustee in writing of any litigation, arbitration proceeding or administrative investigation, inquiry or other proceeding to which it may hereafter become a party or be subject to which may involve any material risk of any material judgment or liability (unless fully covered by insurance) or which may otherwise result in any material adverse change in the business or assets or in the condition, financial or otherwise, of the respective Borrower or which may materially impair the ability of the respective Borrower to perform the Bond Loan

Agreement, the Tax Agreement, the Land Use Restriction Agreements or the Bond Note or any other agreement or instrument contemplated therein or in the Bond Loan Agreement.

Notice of Default. In the event that any Event of Default occurs and is continuing under the Bond Loan Agreement and the Borrower is aware of said Event of Default, the respective Borrower shall give prompt notice in writing of such happening to the Trustee.

Performance of Contracts, Etc. Except to the extent contested in good faith, the respective Borrower shall perform according to and shall comply in all material respects with all of its Contractual Obligations and all Requirements of Law if nonperformance thereof would materially and adversely affect the business or credit of the respective Borrower on an individual basis or would materially impair the ability of the respective Borrower to perform the Bond Loan Agreement, the Tax Agreement, the Land Use Restriction Agreements or the Bond Notes or any other agreement or instrument contemplated therein.

Notice of Other Matters. Each Borrower shall promptly as practicable notify the Trustee in writing of any of the following events:

(i) Any material change with respect to the business, assets, liabilities, financial condition, results of operations or business prospects of such Borrower other than changes in the ordinary course of business the effects of which have not been materially adverse.

(ii) A default by the Borrower in any material respect under any material agreement to which the Borrower is a party or by which the Borrower or its properties or assets may be bound, giving in each case the details thereof and specifying the action proposed to be taken with respect thereto.

Environmental Matters. Each Borrower will take and continue to take prompt action to remedy all environmental pollution and contamination, hazardous waste disposal and other environmental cleanup problems, if any, whether or not such cleanup problems have resulted from the order or request of a municipal, state, federal, administrative or judicial authority, or otherwise. The foregoing covenant shall not constitute or create a waiver of any rights the respective Borrower may have to pursue any legal rights or remedies against any third party for any environmental claims.

Non-discrimination. Each Borrower will require each contractor and subcontractor of its respective Project to covenant that it will not discriminate by reason of race, creed, color, handicap, national origin or sex in the employment of any Person employed by it in connection with the Project or working in or on the Project. Each Borrower will require each manager of its respective Project to covenant that in the leasing of the Project it will not discriminate by reason of race, creed, color, handicap, national origin or sex.

Patriot Act. Each Borrower covenants and agrees to provide documentation as reasonably requested or required by the Trustee to enable the Trustee to comply with the requirements of the USA Patriot Act as described the Indenture.

Additional Indebtedness

So long as no Event of Default under the Bond Loan Agreement has occurred and be continuing, the Borrowers will be permitted to incur any indebtedness for any Project Cost or other obligation or payment due under the Bond Loan Agreement, the Indenture, the Tax Agreement or the Land Use Restriction Agreements.

Nature of Business

Each Borrower will not change the general character of its business as conducted at the date of the Bond Loan Agreement, or engage in any type of business not reasonably related to its business as normally conducted.

Events of Default

The Bond Loan Agreement provides that each of the following is an “Event of Default” with respect to a Borrower:

(a) The Borrower shall fail to pay any Bond Loan Payment on or prior to the date on which that Bond Loan Payment is due and payable or within the Bond Loan Payment Cure Period;

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

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

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

(e) There will occur an “Event of Default” as defined in the Indenture, the Tax Agreement or the Land Use Restriction Agreement after expiration of any applicable notice and cure period.

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

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

Remedies on Default

Whenever an Event of Default shall have happened and be subsisting, including any Event of Default that is only with respect to less than all of the Borrowers, any one or more of the following remedial steps may be taken with respect to the defaulting Borrower, its respective Project and its Pro Rata Share of obligations under the Bond Loan Agreement:

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

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

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

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

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

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

Amendments and Supplements

Except as otherwise expressly provided in the Bond Loan Agreement or the Indenture, subsequent to the issuance of the Bonds and prior to all conditions provided for in the Indenture for release of the

Indenture having been met, the Bond Loan Agreement, the Tax Agreement, the Land Use Restriction Agreements and the Bond Notes may not be effectively amended, changed, modified, altered or terminated except in accordance with the provisions of the Indenture, as applicable.

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APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENTS

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

Capitalized terms used but not defined herein shall have the meanings assigned in the Land Use Restriction Agreement.

Provision of Rental Housing

Each Borrower agrees to provide and operate the related Project for the purpose of providing housing for rental to members of the general public. This provision does not apply to any unit designated for occupancy by a resident manager or maintenance personnel employed by the Borrowers.

Each Borrower declares that the related Project, including the Land, and every part thereof is and shall be owned (legally and beneficially), leased, or otherwise conveyed, transferred, developed, rehabilitated, improved, built upon, occupied, or otherwise used, subject to the covenants and restrictions set forth in the Land Use Restriction Agreements (collectively, the “Covenants”).

Binding Upon the Project

Each Borrower acknowledges that the respective Land Use Restriction Agreement is for the benefit of the respective Project and is in the nature of a covenant that runs with the Land and every part thereof so as to be binding upon it and all property owners, tenants, licensees, occupants, and their successors in interests with respect to the Land throughout the term specified in the Land Use Restriction Agreement. The Borrowers agree to take such steps as are requested of them by the Agency to assure the intent of the Land Use Restriction Agreement, including, without limitation, the execution and recording of any instruments requested of them by the Agency and the inclusion of references to the Land Use Restriction Agreements in any contract of sale or conveyance of the respective Project or any interest therein or management thereof.

Survival

Subject to the provisions of the Land Use Restriction Agreements, the Covenants of the Borrowers set forth therein shall survive a sale, transfer, or other disposition of the Projects, including the Land, by the Borrowers or the repayment of the Bond Loans given by the Agency to the Borrowers from any portion of the proceeds of the Bonds, but shall cease to apply to the Projects, including the Land, in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in federal law, or an action of a federal agency which prevents the Agency from enforcing the requirements in the Land Use Restriction Agreements even though compensated by insurance, provided that the portion of the Bonds providing financing for the Projects are retired within a reasonable period after such involuntary loss or substantial destruction. The Covenants of each Borrower, however, shall survive a foreclosure, transfer of title by deed in lieu of foreclosure, or similar event if (as provided in Section 142(d)(2)(A) of the Code), at any time the Borrower or a “related person” (within the meaning of Section 147(a)(2) of the Code) obtains an ownership interest in the Project.

The Projects

The Projects shall consist of the Land and all improvements thereon and the acquisition and construction of the improvements and facilities described in the Land Use Restriction Agreements.

(a) *Components of the Projects.* Each Project will consist of an apartment complex, consisting of a building or structure or several proximate and interrelated buildings or structures and facilities functionally related and subordinated thereto and:

(i) each containing one or more similarly constructed units, having separate and complete facilities for living, sleeping, eating, cooking, and sanitation for a single person or a family, and facilities which are functionally related and subordinate to such units; and

(ii) all of the units of which will, on a continuous basis, be rented or available on a non-transient basis for rental to members of the general public.

(b) *Rehabilitation and Completion.* The Borrowers will use the proceeds of the Loan related to their respective Project to purchase and rehabilitate and renovate such Projects.

(c) *Change of the Projects.* The Borrowers will make no change in the nature, size (including number of units), or location of the Projects from that which was described in the Notices of Public Hearing published on the Agency's website at least 7 days prior to the public hearing held October 19, 2023, without the consent of the Agency.

Rental Procedures

(a) *Applications.* The Borrowers shall require all applicants for rental of any unit in the Projects to provide information on forms approved by the Agency as to the aggregate gross income of all of the occupants of such unit. The Borrowers shall adopt procedures specified or approved by the Agency to verify the accuracy of the information contained on such applications. Applications shall be required of any occupant upon the conclusion of the maximum lease term permitted under the Land Use Restriction Agreements, as if such occupant were a new tenant.

(b) *Rental to Members of the Beneficiary Class; Suitability for Occupancy.*

(i) So long as any of the Bonds are unpaid, one hundred percent (100%) of the units within the Projects shall be leased and rented to persons or families within the Beneficiary Class ("Qualified Tenants"). From time to time the Agency shall advise the Borrowers in writing of the qualifications for such Beneficiary Class. In the event a unit is rented to a Qualified Tenant, such person shall be deemed to remain a Qualified Tenant throughout the maximum term of lease provided in the Land Use Restriction Agreements notwithstanding any changes in qualifications or income of such person. This provision does not apply to any unit designated for occupancy by a resident manager, or maintenance personnel employed by the Borrowers.

(ii) The Borrowers covenant and agree that during the term of these Covenants each unit within the Projects will remain suitable for occupancy and will be used other than on a transient basis.

(c) *Low or Moderate Income Occupancy Requirement.*

(i) At least forty percent (40%) of the completed dwelling units in each Project shall be occupied continuously, during the longer of the Qualified Project Period or as long as any of the Bonds issued with respect to the related Project remain outstanding, by individuals or families (“Federal Low Income Tenants”) whose total aggregate income at the time of initial occupancy does not exceed 60% of the Area Median Gross Income (“Federal Income Test”), and the Borrowers and the Agency elect to apply the provisions of Section 142(d)(1)(B) of the Code to the Projects. “Area Median Gross Income” means the median income in the geographic area in which a Project is located, as determined annually by the Secretary of the Treasury of the United States of America in a manner consistent with the Housing Act of 1937 (or, if programs under Section 8 are terminated, under such program in effect immediately before such termination) with appropriate adjustments to income level made for family size, all as provided in Section 142(d)(2)(B) of the Code.

(ii) If all the occupants of a residential unit are Students, no one of whom is entitled to file a joint return under Section 6013 of the Code, such individuals may not be treated as Federal Low Income Tenants. “Student” means any individual who during each of five (5) calendar months during the calendar year is a full-time student at an organization that normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where its educational activities are regularly carried on, as described in Section 170(b)(1)(A)(ii) of the Code (an “Educational Organization”) or such persons are pursuing a full time course of institutional on-farm training under the supervision of an accredited agent of an Educational Organization or of a state or political subdivision thereof, as described in Section 151(c)(4) of the Code.

(iii) A unit occupied by an individual or family who, at the commencement of the occupancy, was a Federal Low Income Tenant shall be treated as occupied by Federal Low Income Tenants during such individual’s or family’s tenancy in such unit, even though the individual or family subsequently ceases to meet Federal Income Test. The preceding sentence shall cease to apply to any tenant(s) whose income as of the most recent annual determination under Section 142(d)(3)(A) of the Code exceeds 140% of the Federal Income Test if, after such determination, but before the next determination, any residential unit of comparable or smaller size in the Project is occupied by a new resident whose income exceeds the Federal Income Test. In addition, a vacant unit shall be treated as occupied by a Federal Low Income Tenant until re-occupied, other than for a temporary period, by another occupant, at which time the character of the unit shall be re-determined by the new occupant’s income. In no event shall a temporary period exceed 31 days. In order to comply with the provisions of the Land Use Restriction Agreements, it is understood that it may become necessary to hold a unit vacant until it can be re-occupied by a Federal Low Income Tenant.

(iv) Notwithstanding the forgoing, at the conclusion of the maximum term provided for in paragraph (e) below, a person who continues to qualify as a Federal Low Income Tenant but who is not a member of the Beneficiary Class will not be a Qualified Tenant entitled to rent a unit in a Project.

(d) *Provisions in Leases.*

(i) Every agreement pursuant to which any unit as leased or to be occupied shall contain a requirement that the tenant notify the related Borrower of any change in the number of persons occupying such unit.

(ii) Every agreement pursuant to which any unit is leased to or occupied by a person or family of low to moderate income shall contain additional provisions substantially as follows:

(1) The unit covered by the Land Use Restriction Agreement shall not be subleased nor shall the lease be assigned. This lease shall be subject to termination in accordance with applicable State law.

(2) The tenant acknowledges that occupancy of this unit is restricted to persons or families who at the time of initial occupancy are of low or moderate income. In the event the tenant is discovered not to have met such limitation at the date of initial occupancy, the lease shall be terminated by the landlord or the Agency in accordance with applicable state law. The Tenant agrees to provide the landlord and, upon written request, the Agency with a statement of current income at least annually and to provide such evidence as may be deemed necessary and appropriate to document such statement of income.

(e) *Term of Leases.* The Borrowers agree that no unit shall be rented or leased for a term in excess of three years from the date of initial occupancy by a tenant who is a member of the Beneficiary Class or one year from the date of initial occupancy by any Non-Qualified Tenant (as defined below).

(f) *Rental to Non-Qualified Tenants.* In the event a unit is vacant, has remained so for a period of 30 days, and no Qualified Tenant has applied to lease such unit at the prices established by the Borrowers, the Borrowers may lease such unit to a person who is not in either Beneficiary Class or a Federal Low Income Tenant ("Non-Qualified Tenant"); provided that the term of such lease shall be for the one-year term specified in paragraph (e) above or, if less the minimum term then being offered by the Borrowers to other tenants; and provided further that at the conclusion of such term the Non-Qualified Tenant agrees to vacate the unit if there are any members of the Beneficiary Class on the related Project's waiting list who are able, within a reasonable time, to occupy the unit. This provision shall be applicable only to units held for rental by members of the Beneficiary Class who are not Federal Low Income Tenants and shall not be construed so as to excuse the Borrowers from meeting the requirement of paragraph (c) above with respect to Federal Low Income Tenants at all times.

(g) *Certification of Income.* As a condition of occupancy, each Federal Low Income Tenant shall be required to sign and deliver to the related Borrower a Certification of Adjusted Income, in the form provided by the Agency, and such Borrower shall, promptly upon receipt (or within five business days thereafter), file a copy of such certification with the Agency. Such tenant shall also be required to provide whatever other information, documents, or certifications are deemed necessary by such Borrower or the Agency to substantiate the certification. All certifications of adjusted income with respect to each Federal Low Income Tenant in the Projects during the immediately preceding calendar year shall be maintained on file at the main business office of the related Project.

(h) *Marketing - Waiting Lists.* The Borrowers agree to take reasonable steps to notify the public that units in the related Project are available for Qualified Tenants and to maintain a waiting list of applicants who are Qualified Tenants for the purpose of ensuring maximum occupancy of the related Project by Qualified Tenants.

(i) *No Partial Disposition.* The Borrowers covenant they will not dispose of any portion of any Project building to any person unless all of such Project building is disposed of to the same person at the same time.

(j) *Certain Fees.* In and by the terms of the Loan Agreements, the Borrowers are obligated to pay to the Agency the Agency's Annual Fee and Additional Payments (as defined in the Loan Agreement). The obligation to pay such Agency's Annual Fee and Additional Payments shall remain in effect as long as these Covenants remain in effect notwithstanding a discharge of the Bonds or termination of the Loan Agreement.

Duration and Modification

(a) *Duration.* Unless terminated sooner pursuant to the related Land Use Restriction Agreement, the Covenants in the respective Land Use Restriction Agreement shall continue and remain in full force and effect at all times with respect to each Project, including the Land and each part of the related Land Use Restriction Agreement, so long as any part of the indebtedness represented by the Bonds issued for each Project remains outstanding and during the Qualified Project Period. As used in the Land Use Restriction Agreements, the "Qualified Project Period" means the time period beginning on the first day on which ten (10%) percent of the residential units in the Project are occupied and ending on the latest of (i) the date which is 15 years after the date on which fifty (50%) percent of the residential units in the Project are occupied; or (ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding or (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 (the "Housing Act of 1937") terminates.

(b) *Early Termination.* The requirements of the Covenants shall cease to apply to the Projects in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law, or an action of a federal agency after the date of issue of the Bonds that prevents the Agency from enforcing the Regulations or the Covenants, or condemnation or similar event but only if, within a reasonable period, the Bonds issued with respect to the related Project are retired or the amounts received as a consequence of such event are used to provide a project which meets the requirements of Section 1.103-8(b)(6)(iii)(a) of the Regulations. The termination provision of the first sentence of this paragraph (b) shall cease to apply in the event of foreclosure, transfer of title by deed in lieu of foreclosure, or similar event, if, at any time during that part of the Qualified Project Period subsequent to such event, the related Borrower or other "obligor on the acquired purpose obligation" (within the meaning of Section 1.103-13(b)(iv)(4)(A) of the Regulations) or a "related person" (within the meaning of Section 1.103-10(e) of the Regulations) obtains an ownership interest in the related Project for tax purposes.

(c) *Modification or Release.* Upon payment in full of the Bonds issued with respect to a Project and upon expiration of the Qualified Project Period, and expiration of the term of the covenants described in paragraphs (a) or (b) above, the Agency shall execute an instrument in recordable form to such effect, as evidence of termination of the related Land Use Restriction Agreement. Otherwise, these Covenants may only be modified, amended, altered, or released by an instrument in writing executed by the Agency.

Special Tax Covenants

(a) It is the intention of the Borrowers and the Agency that interest on the Bonds shall be and remain excluded from gross income for federal income tax purposes, and to that end the covenants and agreements of the Borrowers in the Land Use Restriction Agreements are for the benefit of each and every owner of a Bond. The Borrowers and the Agency each covenant that they will comply with their respective requirements contained in the Tax Certificate (as defined in the Loan Agreement). Without limiting the foregoing and notwithstanding anything to the contrary in the Land Use Restriction Agreements, the Borrowers will not take, or permit to be taken on their behalf, any action which would cause interest on the

Bonds to be included in gross income for federal income tax purposes and will take such reasonable action as may be necessary to continue such exclusion from gross income, including:

(i) the Borrowers will not use the proceeds of the Bonds, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 148 of the Code, which will cause the Bonds to be “arbitrage bonds” within the meaning of such Section, and will comply with the requirements of such Section throughout the term of the Bonds; and

(ii) the Borrowers will pay to the United States any amount required to be paid by the Agency or the Borrowers pursuant to Section 148(f) of the Code, at the times, in the amounts and at the places required in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(b) The Borrowers agree to and will prepare and file, at the Borrower’s expense, any statements required to be filed by it in order to maintain such exclusion and upon Borrowers’ written request, the Agency will cooperate with the Borrowers as required by law (in Bond Counsel’s opinion) in the preparation of, execution of, or filing of, as applicable, any statements required to be so prepared, executed, or filed by the Agency in order to maintain such exclusion, all at the Borrowers’ expense. The Agency shall be entitled to indemnification and reimbursement from the Borrowers with respect to performance of any of its obligations or discretionary actions under this Section.

(c) In the event the Borrowers fail to take any action necessary to continue the exclusion from gross income on the Bonds (including any actions described above) or take and refuse to timely remedy any action which may trigger such inclusion (all in Bond Counsel’s opinion), the Agency shall have the right, in its sole and absolute discretion, but shall be under no duty whatsoever, to take and direct any actions necessary or desirable to continue such exclusion from gross income, all at the Borrowers’ expense.

(d) The Borrowers agree they will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Agency, the Borrowers, and the Trustee, in order to ensure that the requirements and restrictions of the Land Use Restriction Agreements will be binding upon all owners of the Projects, including, but not limited to, the execution and recordation of the related Land Use Restriction Agreement in the real property records of the county in which each Project is located.

(e) Neither the Borrowers nor any Related Person (within the meaning of Section 144(a)(3) of the Code) shall purchase the Bonds pursuant to any arrangement, formal or informal, in an amount related to the amount of the Loan with respect to each Borrower.

(f) The Borrowers shall notify the Trustee and the Agency of the occurrence of any event of which the Borrowers have notice and which event, to the knowledge of the Borrowers, would cause the interest on the Bonds to become subject to federal income taxation.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

\$48,474,000*

**North Carolina Housing Finance Agency
Multifamily Housing Revenue Bonds
(Harmony Housing Development Landura Portfolio), Series 2025**

This Continuing Disclosure Agreement, dated as of December 1, 2025 (this “Continuing Disclosure Agreement”), is executed and delivered by (1) New Courtyard I, LLC, (2) New Courtyard II, LLC, (3) New Deer Park, LLC, (4) New Donnell Villas, LLC, (5) New Edgewood Place, LLC, (6) New Kensington Park, LLC, (7) New Laurel Glen, LLC, (8) New Pender Square, LLC, (9) New Windemere, LLC and (10) New Woods, LLC, each a North Carolina limited liability company (each a “Borrower” and collectively, the “Borrowers”) and The Bank of New York Mellon Trust Company, N.A., as dissemination agent (the “Dissemination Agent”), for the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2025 (the “Indenture”) between the North Carolina Housing Finance Agency (the “Agency”) and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”). Pursuant to the Indenture and the Loan Agreement, dated as of December 1, 2025, between the Agency and the Borrowers (the “Bond Loan Agreement”), the Dissemination Agent and the Borrowers covenant and agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Borrowers 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 Borrowers and the Dissemination Agent acknowledge that the Agency 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 Borrowers pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“Audited Financial Statements” means, in the case of the Borrowers, 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 Borrowers shall designate in writing to the Dissemination Agent from time to time.

* Preliminary; subject to change.

“Dissemination Agent” shall mean The Bank of New York Mellon Trust Company, N.A., acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrowers and which has filed with the Trustee a written acceptance of such designation.

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

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and accompanied by identifying information, as prescribed by the MSRB. Initially, all document submissions to the MSRB pursuant to this Continuing Disclosure Agreement shall use the MSRB’s Electronic Municipal Market Access (EMMA) system at www.emma.msrb.org.

“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 Borrowers will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrowers’ 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 Borrowers 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 Borrowers 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 Borrowers are in compliance with subsection (a).

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

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

Section 4. Content of Annual Reports. The Borrowers’ 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 Borrowers are an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. The Borrowers 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 Borrowers. 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 Borrowers 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 Borrowers, 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 Borrowers;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrowers or the sale of all or substantially all of the assets of the Borrowers, 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 Borrowers, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrowers, 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 Borrowers, 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 Borrowers to the Dissemination Agent shall be in the form attached as Exhibit D hereto or such other form as may be approved by the Dissemination Agent. 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 or such other form as may be approved by the Dissemination Agent.

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

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

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

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

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrowers 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 Borrowers.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrowers and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrowers 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 Borrowers 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 Borrowers. 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 Borrowers 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 Borrowers, the Borrowers 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 Borrowers or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Bond Loan Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrowers or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

Section 8. Beneficiaries. This Continuing Disclosure Agreement will inure solely to the benefit of the Borrowers, 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 Borrowers 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 Borrowers choose 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 Borrowers shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrowers have 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 Borrowers and shall not be deemed to be acting in any fiduciary capacity for the Agency, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrowers' 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 Borrowers have complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrowers at all times.

The obligations of the Borrowers 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 Borrowers.

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

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

If to the Borrower:

Borrowers
c/o Landura Management Associates
P.O. Box 25008
Winston-Salem, NC 27114
Attention: Jacqueline Miller
Email: jmiller@landura.com

If to the Dissemination Agent:

The Bank of New York Mellon Trust Company, N.A.
4655 Salisbury Road, Suite 300
Jacksonville, FL 32256
Attention: Global Corporate Trust
Email: lori.t.soriano@bny.com

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

Section 14. Termination of this Continuing Disclosure Agreement. The Borrowers or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrowers' 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 Borrowers shall give notice of such termination in a filing with the MSRB.

Section 15. Counterparts. This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signature pages to follow]

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

NEW COURTYARD I, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW COURTYARD II, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW DEER PARK, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW DONNELL VILLAS, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW EDGEWOOD PLACE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW KENSINGTON PARK, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW LAUREL GLEN, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW PENDER SQUARE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW WINDEMERE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW WOODS, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

[Counterpart Signature Page to Continuing Disclosure Agreement]

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

\$48,474,000*

**North Carolina Housing Finance Agency
Multifamily Housing Revenue Bonds
(Harmony Housing Development Landura Portfolio), Series 2025**

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Landura Portfolio
Addresses:	(1) 500 South Cooper Drive, Henderson, NC 27536, (2) 600 South Cooper Drive, Henderson, NC 27536, (3) 18 Deer Park Loop, Spruce Pine, NC 28777, (4) 815 Donnell Street, Kernersville, NC 27284, (5) 1401 North 6th Street, Albemarle, NC 28001, (6) 3682 Neuse Boulevard, New Bern, NC 28560, (7) 115 Clearfield Drive, Roanoke Rapids, NC 27870, (8) 1711 Sharon Drive, Tarboro, NC 27886, (9) 1323 South Collegiate Drive, Wilkesboro, NC 28697 and (10) 101 South Cooper Drive, Henderson, NC 27536
Number of Units:	640

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.

* Preliminary; subject to change.

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

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

AUDITED FINANCIAL STATEMENTS

_____ Attached

_____ Audited financial statements of the Borrowers for the period ending December 31, 20__ are not yet completed; therefore, no audited financial statements of the Borrowers 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 Borrowers were prepared for the period ending December 31, 20__; therefore, no audited financial statements of the Borrowers 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 Agency: North Carolina Housing Finance Agency

Name of Bond Issue: Multifamily Housing Revenue Bonds (Harmony Housing Development Landura Portfolio), Series 2025

Name of Borrowers: (1) New Courtyard I, LLC, (2) New Courtyard II, LLC, (3) New Deer Park, LLC, (4) New Donnell Villas, LLC, (5) New Edgewood Place, LLC, (6) New Kensington Park, LLC, (7) New Laurel Glen, LLC, (8) New Pender Square, LLC, (9) New Windemere, LLC and (10) New Woods, LLC, each a North Carolina limited liability company

CUSIP: _____

Date of Issuance: December ___, 2025

NOTICE IS HEREBY GIVEN that the above-referenced borrowers (the “Borrowers”) 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 Borrowers that it anticipates that Annual Report will be filed by _____.

DATED: _____

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrowers

EXHIBIT C

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

Name of Agency: North Carolina Housing Finance Agency

Name of Bond Issue: Multifamily Housing Revenue Bonds (Harmony Housing Development Landura Portfolio), Series 2025

Name of Borrowers: (1) New Courtyard I, LLC, (2) New Courtyard II, LLC, (3) New Deer Park, LLC, (4) New Donnell Villas, LLC, (5) New Edgewood Place, LLC, (6) New Kensington Park, LLC, (7) New Laurel Glen, LLC, (8) New Pender Square, LLC, (9) New Windemere, LLC and (10) New Woods, LLC , each a North Carolina limited liability company

Name of Project: Landura Portfolio

Addresses of Project: (1) 500 South Cooper Drive, Henderson, NC 27536, (2) 600 South Cooper Drive, Henderson, NC 27536, (3) 18 Deer Park Loop, Spruce Pine, NC 28777, (4) 815 Donnell Street, Kernersville, NC 27284, (5) 1401 North 6th Street, Albemarle, NC 28001, (6) 3682 Neuse Boulevard, New Bern, NC 28560, (7) 115 Clearfield Drive, Roanoke Rapids, NC 27870, (8) 1711 Sharon Drive, Tarboro, NC 27886, (9) 1323 South Collegiate Drive, Wilkesboro, NC 28697 and (10) 101 South Cooper Drive, Henderson, NC 27536

Date of Issuance: December __, 2025

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of December 1, 2025, between the above-referenced borrowers (the “Borrowers”) and The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent, that the Borrowers have certified that the above-referenced project (the “Project”) is complete and placed in service by the Borrowers as evidenced by a certificate from the Borrowers confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated: _____

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrowers

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

\$48,474,000*

**North Carolina Housing Finance Agency
Multifamily Housing Revenue Bonds
(Harmony Housing Development Landura Portfolio), Series 2025**

The undersigned hereby provides notice to The Bank of New York Mellon Trust Company, N.A., a national banking association, as dissemination agent (the “Dissemination Agent”) that the multifamily rental housing facility known as Landura Portfolio (the “Project”) has been placed in service in accordance with the Trust Indenture, dated as of December 1, 2025, between North Carolina Housing Finance Agency (the “Agency”) and The Bank of New York Mellon Trust Company, 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.

[Signatures on the following pages]

* Preliminary; subject to change.

NEW COURTYARD I, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW COURTYARD II, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW DEER PARK, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW DONNELL VILLAS, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW EDGEWOOD PLACE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW KENSINGTON PARK, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW LAUREL GLEN, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW PENDER SQUARE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW WINDEMERE, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

NEW WOODS, LLC,
a North Carolina limited liability company

By: _____
Tanya Eastwood, President

ATTACHMENT

Certificate of Occupancy