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.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 2, 2026

NEW ISSUE – Book-Entry Only

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

In the opinion of Howell Linkous & Nettles, LLC, Bond Counsel to the Borrower, under existing laws, regulations, rulings, and judicial decisions, and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Such interest is, however, taken into account in determining the annual adjusted financial statement income of certain corporations (as defined in Section 59(k) of the Code) for the purpose of determining the alternative minimum tax imposed on the adjusted financial statement income of such corporations. Bond Counsel is also of the opinion that the Bonds and the interest thereon are exempt from State of South Carolina taxes, except inheritance, transfer, and certain franchise taxes. See "TAX MATTERS" herein for a description of these and other tax considerations.

$6,572,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Berea Heights Villas)
Series 2026

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

Mandatory Tender in connection with Conversion Date:
no earlier than: December 1, 2027*
Optional Call Date: December 1, 2027*
Initial Mandatory Tender Date: September 1, 2029*
Maturity Date: September 1, 2044*
CUSIP: _____

The South Carolina State Housing Finance and Development Authority (the "Issuer") is issuing its Multifamily Housing Revenue Bonds (Berea Heights Villas), Series 2026 (the "Bonds") pursuant to a Trust Indenture dated as of November 1, 2026 (the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Bonds shall bear interest on the outstanding principal amount thereof at the Initial Interest Rate set forth above (the "Initial Interest Rate") from their date of issuance to, but not including, the Initial Mandatory Tender Date set forth above (the "Initial Mandatory Tender Date"), payable on each March 1 and September 1, commencing March 1, 2027*, on each Mandatory Tender Date (as hereinafter defined) and on each Redemption Date (as hereinafter defined). The Bonds are issuable in the form of registered Bonds without coupons in denominations of $5,000 principal amount or any integral multiple of $1,000 in excess thereof. See "THE BONDS" herein.

The Bonds are being issued to finance a loan (the "Loan") to Berea Heights SC LLC, a South Carolina limited liability company (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, constructing, and rehabilitating a 72-unit multifamily rental housing project located in Greenville, South Carolina, to be known as Berea Heights Villas (the "Project"). The Loan will be made to the Borrower pursuant to and in accordance with the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act,"), that certain Resolution of the Issuer adopted on March 18, 2026 (the "Resolution") and a Loan Agreement, dated as of November 1, 2026 (the "Loan Agreement"), between the Issuer and the Borrower, under which the Borrower has agreed to provide, as described herein, payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due. The Loan will be evidenced by a Promissory Note in the principal amount of $6,572,000* (the "Note") from the Borrower to the Issuer and endorsed to the Trustee.

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

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

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

THE ISSUER SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS, OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION, OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER EXCEPT FROM THE SOURCES SPECIFICALLY PLEDGED THERETO PURSUANT TO THE INDENTURE, AND NEITHER THE BONDS NOR ANY OF THE AGREEMENTS OR OBLIGATIONS OF THE ISSUER SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER (OTHER THAN ARTICLE X, SECTION 13, PARAGRAPH 9 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX) OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE OR TO CREATE IN ANY MANNER A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF OR A PLEDGE OR A GRANT OF THE FAITH AND CREDIT OF THE STATE OR ANY SUCH

* Preliminary; subject to change.

POLITICAL SUBDIVISION OR ANY SUCH AGENCY, BUT SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SECURITY AND OTHER FUNDS PLEDGED THEREFOR AND SHALL NOT BE PAYABLE FROM ANY OTHER ASSETS OR FUNDS OF THE ISSUER, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

NO MEMBER, COMMISSIONER, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE, AGAINST ANY MEMBER, COMMISSIONER, OFFICER, EMPLOYEE, OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THE BONDS AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER.

The Bonds are offered for delivery when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and subject to the approval of legality by Howell Linkous & Nettles, LLC, Charleston, South Carolina, Bond Counsel, of certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C., and for the Borrower by its counsel, Howell Linkous & Nettles, LLC, Charleston, South Carolina. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in Brooklyn, New York, on or about November __, 2026.

STIFEL

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

Date: November __, 2026

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

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

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

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

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

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

U.S. Bank Trust Company, National Association, as Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to any matters contained in this Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the Bonds, or (iii) the tax-exempt status of the Bonds.

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OFFICIAL STATEMENT

$6,572,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Berea Heights Villas)
Series 2026

INTRODUCTION

This Official Statement (this "Official Statement") has been prepared in connection with the issuance of the above-captioned Bonds (the "Bonds") by the South Carolina State Housing Finance and Development Authority (the "Issuer"), a body corporate and a politic and an agency of the State of South Carolina (the "State"). The Board of the Issuer has authorized the issuance of the Bonds by its duly adopted Resolution dated March 18, 2026 (the "Resolution") and the Bonds are issued pursuant to a Trust Indenture dated as of November 1, 2026 (the "Indenture"), by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Certain capitalized terms that are used in this Official Statement and not otherwise defined shall have the definitions ascribed to them in "APPENDIX A — DEFINITIONS OF CERTAIN TERMS" hereto.

The Bonds are to be issued pursuant to the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended) (the "Act"), for the purpose of providing funds to make a loan (the "Loan") to Berea Heights SC LLC, a South Carolina limited liability company (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, constructing and rehabilitating a 72-unit multifamily residential rental project located in Greenville, South Carolina, to be known as Berea Heights Villas (the "Project"). See "PRIVATE PARTICIPANTS" and "THE PROJECT" herein.

The Loan will be made to the Borrower under a Loan Agreement dated as of November 1, 2026 (the "Loan Agreement"), by and between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower has agreed to make payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due (the "Bond Service Charges") to the extent that amounts otherwise available for such payment are insufficient therefor. The Loan will be evidenced by a promissory note in the principal amount of $6,572,000* (the "Note") from the Borrower to the Issuer and endorsed to the Trustee.

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

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

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

* Preliminary; subject to change.

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.

It is expected that a lending institution (the "Permanent Lender") will enter into a Forward Commitment Agreement with the Borrower and the Mortgage Lender (as defined herein) after the closing of the Bonds (the "Forward Commitment"), whereby the Permanent Lender will commit, subject to the satisfaction on or before the Termination Date (as defined in the Forward Commitment) of the Conditions to Conversion set forth in the Forward Commitment, to facilitate the financing of the Project in the Permanent Phase.

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

THE ISSUER

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

The South Carolina State Housing Finance and Development Authority is a public body corporate and politic and an agency of the State of South Carolina. The Issuer is authorized by the South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended), as now in effect and as it may from time to time hereafter be amended or supplemented (the "Act") to issue revenue bonds payable solely from the revenues and receipts from any project and secured by a pledge of said revenues and receipts. Under the Act, the Issuer may also issue bonds to refund outstanding bonds issued under the Act. The Issuer has no taxing power.

The Issuer is not in any event to be liable for the payment of the principal of, premium or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever undertaken by the Issuer and neither the Bonds nor any of the Issuer's agreements or obligations are to be construed to constitute an indebtedness of the Issuer or the State within the meaning of any constitutional or statutory provision whatsoever.

THE ISSUER SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS, OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION, OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER EXCEPT FROM THE SOURCES SPECIFICALLY PLEDGED THERETO PURSUANT TO THE INDENTURE, AND NEITHER THE BONDS NOR ANY OF THE AGREEMENTS OR OBLIGATIONS OF THE ISSUER SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER (OTHER THAN ARTICLE X, SECTION 13, PARAGRAPH 9 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX) OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE OR TO CREATE IN ANY MANNER A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF OR A PLEDGE OR A GRANT OF THE FAITH AND CREDIT OF THE STATE OR ANY SUCH POLITICAL SUBDIVISION OR ANY SUCH AGENCY, BUT SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SECURITY AND OTHER FUNDS PLEDGED THEREFOR AND SHALL NOT BE PAYABLE FROM ANY OTHER ASSETS OR FUNDS OF THE ISSUER, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

NO OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE, AGAINST ANY OFFICER, EMPLOYEE OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

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

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND "NO LITIGATION – THE ISSUER" in the attached Exhibits A and B, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, RECEIPTS AND SECURITY PLEDGED THEREFOR. NO RECOURSE SHALL BE HELD AGAINST ANY DIRECTOR, MEMBER OR OFFICER, AS SUCH, OF THE ISSUER FOR THE PAYMENT UPON ANY SUCH BONDS.

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

Shortly after the issuance of the Bonds, the Borrower will obtain a construction loan (the "Mortgage Loan") from Fifth Third Bank, National Association (the "Mortgage Lender"). Over time, Eligible Funds, including proceeds of the Mortgage Loan are expected to be delivered to the Trustee for deposit into the Collateral Fund established by the Trustee under the Indenture. Upon the deposit of Eligible Funds into the Collateral Fund, and subject to the other applicable provisions set forth in the Indenture and the Loan Agreement, the Trustee shall disburse a like amount of Bond proceeds from the Project Fund to or at the direction of the Mortgage Lender for purposes of paying costs of the Project, all in accordance with the Loan Agreement and the Indenture. The maximum aggregate amount of funds representing proceeds of the Mortgage Loan to be delivered to the Trustee for deposit into the Collateral Fund will be $6,572,000*.

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

Notwithstanding any provision of the Loan Agreement or the Indenture to the contrary, the Trustee will not act upon the delivery of a certified copy of the request for disbursement of funds from the Project Fund, unless and

* Preliminary; subject to change.

until (i) an amount equal to or greater than the requested disbursement amount has been deposited into the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has verified that the sum of the amount then held in the Collateral Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund, is at least equal to the then-outstanding principal amount of the Bonds. Upon receipt of Eligible Funds, Trustee shall be unconditionally and irrevocably obligated to disburse Bond proceeds in the amount of such installment of Eligible Funds to pay for Costs of the Project as set forth in the Indenture.

Amounts on deposit in the Project Fund, the Bond Fund and the Collateral Fund will be invested on the Closing Date in Eligible Investments. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Investment of Bond Fund, Project Fund and Collateral Fund; Eligible Investments" herein.

THE BONDS

Terms of Bonds Generally

The Bonds shall be issued in Authorized Denominations and shall mature on September 1, 2044* (the "Maturity Date"). The Bonds are dated as of the Closing Date and shall bear interest at the Initial Interest Rate from the Closing Date to, but not including, the Initial Mandatory Tender Date, payable on each Interest Payment Date, commencing March 1, 2027*, on each Mandatory Tender Date and on each Redemption Date.

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

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

Mandatory Tender

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

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

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

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

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

* Preliminary; subject to change.

interest, of Bonds tendered for purchase; (ii) on the Conversion Date, amounts on deposit in the Permanent Loan Purchase Fund, to pay the tender price of Bonds tendered for purchase in an amount equal to the Actual Project Loan Amount, (iii) on any Mandatory Tender Date other than the Conversion Date, amounts on deposit in the Bond Fund, to pay the principal amount of Bonds tendered for purchase described under the heading "Collateral Fund; Project Fund" in "APPENDIX B — SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE" hereto); (iv) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase; (v) available interest earnings on amounts on deposit in the Project Fund to pay the accrued interest, if any, on the Bonds tendered for purchase and (vi) any other Eligible Funds available or made available for the purposes described in this paragraph at the direction of the Borrower, with the consent of the Issuer.

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

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

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

Mandatory Tender Notice

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

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

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

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

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

Second Notice. In the event that any Bond required to be delivered to the Trustee for payment of the purchase price of such Bond shall not have been delivered to the Trustee on or before the twentieth (20^{th}) day following a Mandatory Tender Date, the Trustee shall mail a second notice to the Holder of the Bond at its address as shown on the Register setting forth the requirements set forth in the Indenture for delivery of the Bond to the Trustee and stating

that delivery of the Bond to the Trustee (or compliance with the provisions of the Indenture concerning payment of lost, stolen or destroyed Bonds) must be accomplished as a condition to payment of the purchase price applicable to the Bond.

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

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

Mandatory Redemption

The Bonds are subject to mandatory redemption as follows:

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

(b) in part on the Conversion Date, in an amount necessary to reduce the aggregate principal amount of Outstanding Bonds to the Actual Project Loan Amount, as required to satisfy the Conditions to Conversion (such amount, the "Conversion Redemption Amount").

Optional Redemption

The Bonds are subject to optional redemption prior to their maturity, at direction of the Borrower, either in whole or in part, on any date on or after the later to occur of (i) the date that the Project is placed in service for purposes of Section 42 of the Code, as certified in writing by the Borrower to the Trustee, and (ii) the Optional Call Date, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, but without premium, to the applicable Redemption Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Bond Fund, other than funds in the Negative Arbitrage Account therein, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower. In connection with any optional redemption of the Bonds prior to the applicable Mandatory Tender Date, the Trustee is permitted to sell Eligible Investments or redeem Eligible Investments prior to maturity at a price below par only if the Trustee receives, not less than two (2) Business Days prior to the applicable Redemption Date, a Cash Flow Projection and any Eligible Funds required pursuant to such Cash Flow Projection.

Notice of Redemption

If the Borrower intends to effect an optional redemption of the Bonds, then, at least five (5) days prior to the latest date by which the Trustee must give notice of an optional redemption as set forth in this paragraph, the Borrower shall deliver to the Trustee written notice of such redemption. Unless waived by any Holder of Bonds to be redeemed, official notice of redemption shall be given by the Trustee on behalf of the Issuer by sending a copy of an official redemption notice by Electronic Means or by first class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, (i) with respect to a mandatory redemption of the Bonds, not less than twenty (20) days (or ten (10) days for a mandatory redemption of the Bonds in connection with Conversion) nor more than thirty (30) days prior to the date

fixed for redemption, and (ii) with respect to an optional redemption of the Bonds, not less than ten (10) days prior to the date fixed for redemption. A second notice of redemption shall be given, as soon as practicable, by Electronic Means or by first class mail to the Holder of each Bond which has been so called for redemption (in whole or in part) but has not been presented and surrendered to the Trustee within sixty (60) days following the date fixed for redemption of that Bond.

Book-Entry Only System

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

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

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

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

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

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

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

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

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

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

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

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

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

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds will be secured by all right, title and interest of the Issuer in the Trust Estate, including, but not limited to (i) all right, title and interest of the Issuer in and to all Revenues, derived or to be derived by the Issuer or the Trustee for the account of the Issuer under the terms of the Indenture and the Loan Agreement (other than the

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

THE ISSUER SHALL NOT IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS, OR FOR THE PERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION, OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE ISSUER EXCEPT FROM THE SOURCES SPECIFICALLY PLEDGED THERETO PURSUANT TO THE INDENTURE, AND NEITHER THE BONDS NOR ANY OF THE AGREEMENTS OR OBLIGATIONS OF THE ISSUER SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER (OTHER THAN ARTICLE X, SECTION 13, PARAGRAPH 9 OF THE SOUTH CAROLINA CONSTITUTION AUTHORIZING OBLIGATIONS PAYABLE SOLELY FROM SPECIAL SOURCES NOT INVOLVING REVENUES FROM ANY TAX) OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER OR A CHARGE AGAINST ITS GENERAL CREDIT. THE BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE OR TO CREATE IN ANY MANNER A DEBT, LIABILITY OR OBLIGATION OF THE STATE OR OF ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF OR A PLEDGE OR A GRANT OF THE FAITH AND CREDIT OF THE STATE OR ANY SUCH POLITICAL SUBDIVISION OR ANY SUCH AGENCY, BUT SHALL BE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SECURITY AND OTHER FUNDS PLEDGED THEREFOR AND SHALL NOT BE PAYABLE FROM ANY OTHER ASSETS OR FUNDS OF THE ISSUER, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION OR ANY AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BONDS. THE ISSUER HAS NO TAXING POWER.

NO MEMBER, COMMISSIONER, OFFICER, AGENT, EMPLOYEE OR ATTORNEY OF THE ISSUER, INCLUDING ANY PERSON EXECUTING THE INDENTURE OR THE BONDS, SHALL BE LIABLE PERSONALLY ON THE BONDS OR FOR ANY REASON RELATING TO THE ISSUANCE OF THE BONDS. NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS, OR FOR ANY CLAIM BASED ON THE BONDS, OR OTHERWISE IN RESPECT OF THE BONDS, OR BASED ON OR IN RESPECT OF THE INDENTURE, AGAINST ANY MEMBER, COMMISSIONER, OFFICER, EMPLOYEE, OR AGENT, AS SUCH, OF THE ISSUER OR ANY SUCCESSOR, WHETHER BY VIRTUE OF ANY CONSTITUTION, STATUTE OR RULE OF LAW, OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, ALL SUCH LIABILITY BEING, BY THE ACCEPTANCE OF THE BONDS AND AS PART OF THE CONSIDERATION FOR THE ISSUANCE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

THE BONDS, THE PRINCIPAL OF AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED TO SUCH PURPOSES IN THE MANNER AND TO THE EXTENT PROVIDED IN THE INDENTURE AND NO OTHER REVENUES OR ASSETS OF THE ISSUER.

Repayment of Loan

The Loan Agreement and the Note obligate the Borrower to cause to be paid to the Trustee amounts which shall be sufficient to pay Bond Service Charges coming due on each Interest Payment Date. At all times, the Bonds will be secured by Eligible Investments or other Eligible Funds sufficient, along with earnings thereon (without the

need for reinvestment), to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at the earlier of the Initial Mandatory Tender Date or any preceding Mandatory Tender Date or Redemption Date, as further described herein, and such amounts will be a credit against the Borrower's payment obligations under the Loan Agreement and the Note.

Investment of Bond Fund, Project Fund and Collateral Fund; Eligible Investments

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

Additional Bonds

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

PRIVATE PARTICIPANTS

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

The Borrower

The Borrower is Berea Heights SC LLC, a South Carolina limited liability company, a single-asset entity formed for the specific purpose of developing and owning the Project. The managing member of the Borrower is SHPI Berea Heights GP LLC, a South Carolina limited liability company (the "Managing Member"), which will own a 0.01% interest in the Borrower. Raymond James Tax Credit Fund XX L.L.C., a Florida limited liability company (the "Investor Member"), will own a 99.98% interest in the Borrower. Cabretta Berea Heights, LLC, a Georgia limited liability company, as the state investor member, will own a 0.01% interest in the Borrower.

The Investor Member

Shortly after the issuance of the Bonds, the Borrower will sell to the Investor Member a 99.98% ownership interest in the Borrower. In connection with such sale, the Investor Member is expected to fund approximately $7,449,080* of tax credit equity to the Project, to be paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The Developer

The developer for the Project is Fitch Irick LLC, a South Carolina limited liability company (the "Developer"). The Developer specializes in the development of affordable housing throughout the Southeastern United States. Hollis M. Fitch and Charles F. Irick Jr. oversee all day-to-day operations of Fitch Irick Corporation and have been responsible for the development of 40 affordable housing projects. James M. Bernstein is experienced in South Carolina projects that utilize new market and low-income housing tax credits.

* Preliminary; subject to change.

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

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

The obligations and liabilities of the Borrower under the Loan Agreement and the Note are of a non-recourse nature and are limited to the Project and moneys derived from the operation of the Project. Neither the Borrower nor its members have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. The foregoing relates solely to the Loan Agreement and the Note and does not describe, limit or otherwise affect the obligations of the Borrower or any guarantor under the Mortgage Loan Documents, which obligations are recourse and include guaranties in favor of the Mortgage Lender. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower's financial statements nor those of its members are included in this Official Statement.

The Property Manager

The Borrower has entered into a management agreement with Fitch Irick Management LLC, a North Carolina limited liability company (the "Property Manager") to manage the day-to-day operations of the Project. The Property Manager is an affiliate of the Developer. The Property Manager has been involved in the management of affordable housing since 2016. The Property Manager currently manages 12,296 apartment units in eight states.

The General Contractor

The general contractor for the Project is Meritus Commercial, LLC (the "General Contractor"). The General Contractor is not an affiliate of the Developer. Based out of Anderson, South Carolina, the General Contractor was formed in 2003 and is a South Carolina-licensed contractor. Since inception, the General Contractor has built or rehabilitated over 4,056 units of affordable apartments.

The Architect

The architect for the Project is Dinteman Design Architecture, P.C. (the "Architect"). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 18 years and has been the principal architect for 300 multifamily developments with a total of 30,000 units.

THE PROJECT

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

The Project, to be known as Berea Heights Villas, is located in Greenville, South Carolina, on an approximately 4.97-acre site. The Project contains 72 apartment units in three buildings located at 125 Lions Club Road. Common area improvements will include: a clubhouse with a multi-purpose room, on-site leasing and maintenance staff, computer room, fitness center, gazebo, laundry center, and a playground. Unit amenities include: balconies and patios, large spacious layouts, premium LVP flooring, and ceiling fans in bedrooms. There are 144 parking spaces for resident use only.

It is anticipated that construction will commence shortly after the issuance of the Bonds and funding of the tax credit equity and will be completed in approximately 18 months.

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

Unit Type	Average Square Feet	Number of Units
2BR/1BA	954	48
3BR/2BA	1,128	24
TOTAL		**72**

Plan of Financing

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

Sources of Funds:*	
Bond Proceeds[1]	$6,572,400
Low Income Housing Tax Credit Equity	7,449,080
Interest Paid from Operations	200,000
Good Faith Deposit Refund	131,448
Reinvestment Proceeds	639,609
Deferred Developer Fee	281,922
Total Sources	**$15,274,459**
Uses of Funds:*	
Acquisition Costs	$5,600,000
Construction Costs	4,838,871
Soft Costs	2,119,593
Costs of Issuance	786,536
Developer Fee	935,000
Reserves & Escrows	994,459
Total Uses	**$15,274,459**

[1] Subject to the satisfaction of the Conditions to Conversion, the Bonds may be subject to mandatory tender prior to the Initial Mandatory Tender Date (i.e., on the Conversion Date) with certain Eligible Funds, including the proceeds of a tax-exempt loan (the "Funding Loan") from the Permanent Lender. On such tender date, Bonds so tendered may be redeemed in part in an amount sufficient to reduce the outstanding principal balance thereof to the Actual Project Loan Amount, and thereafter shall be delivered in the form of a note evidencing the Funding Loan (the "Governmental Note") to the Permanent Lender.

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

The Mortgage Loan. The Project is expected to utilize a construction loan in the principal amount of up to $12,000,000* (the "Mortgage Loan"). The Mortgage Loan will be secured by a senior mortgage on the Project and the obligation to repay the Mortgage Loan will be evidenced by a promissory note (the "Mortgage Note") from the Borrower to Fifth Third Bank, National Association (the "Mortgage Lender"). The Mortgage Note will have a term of twenty-four (24) months and will bear interest at a variable rate equal to one-month Term SOFR plus 275 basis points (2.75%) (subject to a Term SOFR floor of seventy-five basis points (0.75%) per annum, with no payments of principal during the term, and with all unpaid principal and interest due at maturity. The Mortgage Loan proceeds will be disbursed from time to time by the Mortgage Lender to the Trustee for deposit into the Collateral Fund to allow for a corresponding amount of Bond proceeds to be disbursed to the Project.

The Low Income Housing Tax Credit Proceeds. Shortly after the issuance of the Bonds, the Borrower sold to the Investor Member a 99.98% ownership interest in the Borrower. Pursuant to the sale, the funding of the Federal Low Income Housing Tax Credit equity will total approximately $7,449,080*. 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

* Preliminary; subject to change.

timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

Deferred Developer Fee. The Project will utilize deferred developer fee in the anticipated amount of $281,922* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

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

Sources of Funds:*	
Bond Proceeds	$6,572,000
Eligible Funds	
Total	
Uses of Funds:*	
Project Fund	$6,572,000
Negative Arbitrage	
Total	

Project Regulation

In order to obtain low-income housing tax credits, the Project will be operated as a qualified residential rental project with 100% of the residential units in the Project occupied by Qualifying Unit Tenants (as defined in the Tax Regulatory Agreement) during the Qualified Project Period (as defined in the Tax Regulatory Agreement), in accordance with Section 142(d) of the Code. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT" herein.

In addition to the rental restrictions imposed upon the Project by the Tax Regulatory Agreement (defined below), the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the low-income housing tax credits (the "LIHTCs") anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of 100% of the residential units in the Project (the "Tax Credit Units"). All of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 60% of AMI, adjusted for family size.

CERTAIN BONDHOLDERS' RISKS

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

General

Payment of the Bond Service Charges, and the Borrower's obligations with respect to the Bond Service Charges, will be secured by and payable from Bond proceeds held in the Project Fund, if any, and moneys deposited into the Collateral Fund and the Bond Fund, including the Negative Arbitrage Account held in the Bond Fund. Although the Borrower will execute the Note to evidence its obligation to repay the Loan, it is not expected that any revenues from the Project or other amounts, except moneys in the Bond Fund, Project Fund, if any, and Collateral Fund, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Project Fund and the Collateral Fund is at least equal to the then outstanding principal amount of the Bonds. It is expected that all of the Bond proceeds in the Project Fund will be disbursed to pay Project Costs on and after the Closing Date. At all times funds on deposit in the

* Preliminary; subject to change.

Project Fund, the Collateral Fund and the Bond Fund (including the Negative Arbitrage Account therein), and the interest earnings thereon (without the need for reinvestment), will be sufficient to pay the debt service on the Bonds.

Limited Security for Bonds

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

Future Determination of Taxability of the Bonds

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

Issuer Limited Liability

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

Enforceability of Remedies upon an Event of Default

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

Secondary Markets and Prices

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

Eligible Investments

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

Rating Based on Eligible Investments

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

Future Legislation; IRS Examination

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

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

Potential Impact of Pandemics or Public Health Crises

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

Summary

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

TAX MATTERS

Legal matters incident to the authorization, validity and issuance of the Bonds are subject to the unqualified approving opinion of Howell Linkous & Nettles, LLC Bond Counsel, whose opinion will be available at the time of delivery of the Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix F.

Federal Tax Treatment of Interest on the Bonds

On the date of issuance of the Bonds, Howell Linkous & Nettles, LLC, Charleston, South Carolina, in its capacity as Bond Counsel to the Borrower, will render an opinion that, under existing laws, regulations, rulings, and judicial decisions, and assuming the accuracy of certain representations and compliance by the Authority with certain

covenants, the interest on the Bonds (i) is excludable from gross income for purposes of federal income taxation, except as discussed below and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals under the Code.

Bond Counsel is also of the opinion that the Bonds and the interest thereon are exempt from State of South Carolina taxes, except inheritance, transfer, and certain franchise taxes.

The proposed form of the opinion of Bond Counsel is set forth in Appendix F to this Official Statement. The actual legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by re-circulation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion subsequent to its date.

The Authority has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the Bonds will not be included in gross income for federal income and South Carolina tax purposes. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon, in connection with any such actions, events, or matters.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as financial institutions, corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income tax credit. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Certain Ongoing Tax Requirements and Covenants

As discussed above, the Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excludable from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirements that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal and South Carolina income tax purpose retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority will covenant that it will do and perform all acts necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code. The Authority will enter into the Tax Regulatory Agreement with respect to ongoing federal tax requirements with the issuance of the Bonds which will contain provisions relating to compliance with the requirements of the Code No assurance can be given, however, that in the event of a breach of any such covenant, the remedies available to the Authority, the Trustee, or the owners of the Bonds can be enforced judicially in a manner to assure compliance with the Code and therefore to prevent the loss of the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

Changes in Federal Tax Law

Legislation affecting municipal bonds is regularly under consideration by the United States Congress. Future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court

decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Limitation on State Tax Exemption

Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed at the rate of 4.5% of the entire net income of such bank. Regulations of the South Carolina Department of Revenue and Taxation require that the term "entire net income" includes income derived from any source whatsoever, including interest on obligations of any state or political subdivision thereof. Interest on the Bonds will be included in such computation.

Limitations on Bond Counsel Opinion

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof, or the enforcement thereof by the IRS. The Authority has covenanted, however, to comply with the requirements of the Code.

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

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or any audit of bonds or notes presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority or the Beneficial Owners to incur significant expense.

Certain requirements and procedures contained or referred to in the Indenture and other relevant documents may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. Bond Counsel expresses no opinion as to the Bonds or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of bond counsel other than Howell Linkous & Nettles, LLC.

Bond Counsel expresses no other opinion with respect to the tax consequences of owning the Bonds. Bond Counsel has not undertaken to determine (or inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may affect the tax status of interest on the Bonds.

In rendering its opinion, Bond Counsel will rely upon certificates of officials, officers, and representatives of the Authority with respect to certain material facts solely within their knowledge relating to the application of the proceeds of the Bonds.

THE FEDERAL TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A BONDHOLDER'S PARTICULAR SITUATION. IT IS NOT INTENDED TO ADDRESS ALL ASPECTS OF FEDERAL TAXATION

THAT MAY BE RELEVANT TO BENEFICIAL OWNERS. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE BONDS UNDER FEDERAL OR APPLICABLE STATE OR LOCAL LAWS, INCLUDING THE EFFECT OF ANY PENDING OR PROPOSED LEGISLATION, REGULATORY INITIATIVES OR LITIGATION. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

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

THE IRS HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE IRS WILL COMMENCE AN AUDIT OF ANY BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES, THE IRS IS LIKELY TO TREAT THE AUTHORITY AS THE TAXPAYER AND THE BENEFICIAL OWNERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE SERIES 2025 BONDS COULD ADVERSELY AFFECT THE VALUE OF THE BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

Original Issue Premium on the Bonds

The Bonds maturing on September 1, 2044* (the "Premium Bonds") may be sold at an initial public offering price which is greater than the amount payable at maturity. An amount equal to the excess of the purchase price of the Premium Bonds over their stated redemption prices at maturity constitutes premium on such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Bond's term using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bonds at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to state and local tax consequences of owning such Premium Bonds.

Original Issue Discount on the Bonds

The Bonds maturing on September 1, 2044* may be sold at initial public offering prices which are less than the amount payable at maturity (the "Discount Bonds"). The difference between the initial public offering prices to the public (excluding bond houses and brokers) at which price a substantial amount of each maturity of the Discount Bonds is sold and the amount payable at maturity constitutes original issue discount, which will be treated as interest on such Discount Bonds and to the extent properly allocable to particular owners who acquire such Discount Bonds at the initial offering thereof, will be excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Discount Bond who acquires the Discount Bond

in this offering during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Discount Bond. Any gain realized by an owner from a sale, exchange, payment, or redemption of a Discount Bond will be treated as gain from the sale or exchange of such Discount Bond.

Owners who may acquire Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the amount of original issue discount or interest properly accruable with respect to such Discount Bonds, other tax consequences of owning Discount Bonds and the state and local tax consequences of owning Discount Bonds.

ENFORCEABILITY OF REMEDIES

The enforceability of the rights and remedies of the Trustee or Holders of the Bonds under the Indenture and the enforceability of the rights and remedies of any other party under any other agreement in this financing, and the availability of remedies to any party seeking to enforce the pledge of the Trust Estate relating to the Bonds, are in many respects dependent upon regulatory and judicial actions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the rights and remedies provided (or which may be provided) under the Indenture and any other agreement in this financing, and the rights and remedies of any party seeking to enforce any pledge thereunder, may not be readily available or may be limited.

The various legal opinions to be delivered at the time of issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by the exercise of judicial discretion in appropriate cases.

APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters incidental to the authorization and issuance of the Bonds are subject to the approving opinions of Howell Linkous & Nettles, LLC, Charleston, South Carolina, as Bond Counsel to the Authority. See "APPENDIX F—FORM OF OPINION OF BOND COUNSEL." Certain legal matters will be passed upon for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C.

The various legal opinions delivered at the time of issuance and delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State of South Carolina and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). Such legal opinions express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or of the future performance of parties to such transaction. The rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction. See "ENFORCEABILITY OF REMEDIES." The opinion of Bond Counsel will be delivered contemporaneously with the delivery of the Bonds substantially in the form attached hereto as APPENDIX F.

UNDERWRITING

Pursuant to and subject to the terms and conditions set forth in the Bond Purchase Agreement (the "Bond Purchase Agreement"), among Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), the Issuer and the Borrower, the Underwriter has agreed to purchase the Bonds at the price set forth on the cover page hereof. For its services relating to the transaction, the Underwriter will receive a fee of $_____ plus $_____, payable in immediately available funds on the Closing Date, from which the Underwriter shall pay certain fees and expenses

relating to the issuance of the Bonds. The Underwriter's fee shall not include the fee of its counsel. [The Underwriter also hereby agrees to advance an additional amount equal to $_____ as set forth under the Indenture (the "Underwriter's Advance"). The Underwriter will be reimbursed on or before the Closing Date by the Borrower for the Underwriter's Advance.]

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

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

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

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

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

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

RATING

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

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

Prior to the issuance of the Bonds, the Borrower will execute and deliver a Continuing Disclosure Agreement pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). Financial statements and other operating data will be

provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access ("EMMA") system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as APPENDIX E.

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

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

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to an approving opinion of Howell Linkous & Nettles, LLC, Charleston, South Carolina, Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel, Howell Linkous & Nettles, LLC, and for the Underwriter by its counsel, Tiber Hudson LLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

ABSENCE OF LITIGATION

The Issuer

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

The Borrower

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

ADDITIONAL INFORMATION

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

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

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

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

[Signature page to follow]

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

BEREA HEIGHTS SC LLC,
a South Carolina limited liability company

By: SHPI Berea Heights GP LLC,
a South Carolina limited liability company,
its Managing Member

By: Southeastern Housing Preservation, Inc.,
a North Carolina limited liability company,
its Sole Member

By: _____
Ira M. Slomka
President

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

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

"Act" means the Constitution and The South Carolina State Housing Finance and Development Authority Act of 1977 (Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended.

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

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

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

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

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

"Bond Fund" means the Bond Fund established pursuant to the Indenture.

"Bond Purchase Agreement" means the Bond Purchase Agreement, dated November __, 2026, among the Issuer, the Borrower and Underwriter.

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

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

"Bonds" means the Multifamily Housing Revenue Bonds (Berea Heights Villas), Series 2026 of the Issuer issued, authenticated and delivered under the Indenture, which are identified as such in the Indenture.

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

"Borrower" means Berea Heights SC LLC, a South Carolina limited liability company organized and existing under the laws of the State, and its successors and assigns.

"Borrower Documents" means the Loan Agreement, the Note, the Tax Certificate, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Operating Agreement, the Continuing Disclosure Agreement, the

Remarketing Agreement and any and all documents, agreements or instruments executed by the Borrower in connection with the Loan evidenced by the Loan Agreement, but excluding the Mortgage Loan Documents.

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

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

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

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

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

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

"Closing Memorandum" means the closing memorandum attached to the initial Requisition delivered on the Closing Date.

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

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

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

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

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

"Construction Draw Schedule" means the schedule of the disbursement of the proceeds of the Bonds approved by the Mortgage Lender, as the same may be amended from time to time with the consent of the Issuer and the Mortgage Lender.

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

"Construction Phase Financing Agreement" means the Construction Phase Financing Agreement dated as of November 1, 2026, by and among the Mortgage Lender and the Permanent Lender, and acknowledged and agreed to by the Borrower, as the same may be amended, modified or supplemented from time to time.

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

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

"Conversion Date" means the date the Permanent Lender purchases the Governmental Note upon the satisfaction of the Conditions to Conversion set forth in the Construction Phase Financing Agreement, as such Conversion Date is specified by the Permanent Lender in the Notice of Conversion; provided, however, the Conversion Date shall occur under the Indenture no earlier than December 1, 2027*.

"Conversion Redemption Amount" has the meaning set forth for such term in the Indenture.

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

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

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

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

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

"Dissemination Agent" means initially U.S. Bank Trust Company, National Association, or any dissemination agent subsequently appointed in accordance with the Continuing Disclosure Agreement.

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

* Preliminary; subject to change.

"Electronic Means" means facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission.

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

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

(b) moneys drawn on a letter of credit;

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

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

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

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

(g) proceeds of Permanent Lender Purchase Price received from the Permanent Lender in connection with the purchase of the Governmental Note on the Conversion Date;

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

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

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

(a) Governmental Obligations; and

(b) To the extent permitted in the Indenture, shares or units in any money market mutual fund (i) which is then rated "Aaa-mf" by Moody's (or if no fund is available at that rating category, the Highest Rating Category then available for that category of fund by Moody's, or if Moody's is not the Rating Agency or a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives

reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

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

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

"Forward Commitment Maturity Date" means July 1, 2029*, subject to extension by the Permanent Lender as provided in the Construction Phase Financing Agreement.

"Foward Commitment" means the Forward Commitment Agreement among the Borrower, the Mortgage Lender and the Permanent Lender, pursuant to which Permanent Lender has agreed to purchase the Governmental Note following the Conversion Date, subject to the terms and conditions set forth therein, as such commitment may be amended, modified or supplemented from time to time.

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

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

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

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

"Guarantor" means Fitch Irick Corporation.

"Guaranty" means the General Guaranty and the Guaranty of Environmental Obligations, each dated as of the same date as the Indenture made by the Guarantor in favor of the Issuer.

"Highest Rating Category" means, with respect to an 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.

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

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

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* Preliminary; subject to change.

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

"Initial Deposit" means Eligible Funds in the amount set forth in the Indenture.

"Initial Interest Rate" means ____%.

"Initial Mandatory Tender Date" means September 1, 2029*.

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

"Interest Payment Date" means (a) March 1 and September 1 of each year beginning March 1, 2027*, (b) each Mandatory Tender Date and (c) each Redemption Date.

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

"Investor Member" means Raymond James Tax Credit Fund XX, L.L.C., a Florida limited liability company, in its capacity as investor member in the Borrower, its permitted successors and assigns.

"Issuer" means the South Carolina State Housing Finance and Development Authority and any successor to its powers and duties under the Act.

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

"Issuer Fee" means (i) the Issuer issuance fee payable at the issuance of the Bonds equal to 0.75% ($ _____) of the initial maximum principal amount of the Bonds, and (ii) the ongoing annual administrative fee equal to $50.00 per unit in the Project per year payable in arrears, commencing when the Project is placed in service and paid annually on each February 1 thereafter.

In addition, all amounts due to the Issuer for extraordinary services and all extraordinary expenses of the Issuer will are to be paid directly by the Borrower

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

"Loan" means the loan by the Issuer to Borrower in the principal amount of $6,572,000* made by the Issuer to the Borrower evidenced by the Note, described in the Loan Agreement and made in connection with the issuance of the Bonds.

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

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

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* Preliminary; subject to change.

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

"Managing Member" means SHPI Berea Heights GP LLC, a South Carolina limited liability company.

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

"Maturity Date" means September 1, 2044*.

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

"Mortgage Lender" means Fifth Third Bank, National Association, and any successors and assigns.

"Mortgage Loan" means the construction loan to be made from the Mortgage Lender to the Borrower in the principal amount of $12,000,000* with respect to the Project, as described and provided for in the Mortgage Loan Documents.

"Mortgage Loan Documents" means the Mortgage Loan Security Instrument, the promissory note evidencing the Mortgage Loan, the construction loan agreement, and all other documents required by the Mortgage Lender in connection with the Mortgage Loan

"Mortgage Loan Repayment Fund" means the Mortgage Loan Repayment Fund established pursuant to the Indenture.

"Mortgage Loan Security Instrument" means the Construction Mortgage, Security Agreement, Fixture Filing and Assignment of Leases and Rents from the Borrower in favor of the Mortgage Lender which will secure the Mortgage Loan, as the same may be amended, supplemented or restated.

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

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

"Notice of Conversion" means a written notice to be delivered no fewer than fifteen (15) days prior to the Conversion Date by the Permanent Lender to the Issuer, the Trustee, the Borrower, the Underwriter and the Mortgage Lender (i) stating that the Conditions to Conversion have been satisfied on or before the Forward Commitment Maturity Date or, if any Condition to Conversion has not been satisfied on or before the Forward Commitment Maturity Date, stating that such Condition to Conversion has been waived in writing by the Permanent Lender (if a waiver is permitted and is granted by the Permanent Lender, in its sole and absolute discretion) on or before the Forward Commitment Maturity Date, (ii) confirming the Conversion Date, and (iii) providing a revised Funding Loan Amortization Schedule as described in the Indenture.

"Official Statement" means this Official Statement dated November __, 2026, relating to the Bonds.

"Operating Agreement" means the First Amended and Restated Operating Agreement of the Borrower, dated the Closing Date, as it may be amended in accordance with the Borrower Documents and the Mortgage Loan Documents.

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* Preliminary; subject to change.

"Opinion of Counsel" means an opinion from an attorney or firm of attorneys, acceptable to the Trustee, with experience in the matters to be covered in the opinion.

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

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

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

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

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

"Permanent Lender" means a lending institution, together with its successor assigns, that is expected to provide the Forward Commitment.

"Permanent Lender Purchase Price" means an amount equal to the Actual Project Loan Amount to be funded by the Permanent Lender on the Conversion Date.

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

"Permanent Phase" means the permanent phase of the Loan, which time period shall commence on the Conversion Date and remain in effect through the remaining term of the Loan.

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

"Project" means the multifamily rental housing project located in Greenville, South Carolina, to be known as Berea Heights Villas, which upon completion will contain approximately 72 affordable rental housing units and which may include such ancillary uses as parking, community space, and other functionally related and subordinate uses.

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

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

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

* Preliminary; subject to change.

the commencement of construction of the Project, but does not include land acquisition, site preparation and similar costs incident to commencement of construction of the Project.

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

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

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

"Record Date" means the 15th day of the month preceding any Interest Payment Date.

"Redemption Date" means any date under the Indenture on which the Bonds are subject to redemption, including (a) the Maturity Date, (b) the date of acceleration of the Bonds, or (c) as described in the Official Statement under the headings "THE BONDS – Mandatory Redemption" and "THE BONDS – Optional Redemption."

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

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

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

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

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

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

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

"Reserved Rights of the Issuer" shall mean (a) all rights which the Issuer and its officers, officials, directors, agents and employees may have under the Indenture, the Loan Agreement and the Tax Regulatory Agreement to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its officers, officials, directors, agents or employees; (b) the right of the Issuer to give and receive notices, reports, certifications, or other information hereunder, under the Loan Agreement and under the Tax Regulatory Agreement; (c) the right of the Issuer to receive its fees and expenses; (d) the Issuer's approval rights; (e) the rights of the Issuer with respect to inspections; (f) the rights of the Issuer with respect to publicity and signage; (g) the notification, indemnification and enforcement rights of the Issuer in the Loan Agreement; (h) the rights of the Issuer with respect to limited liability; (i) all rights of the Issuer to enforce the covenants and agreements and to take action for the breach of any representation or warranty of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or any requirements imposed by the Issuer with respect to the Project, or necessary to assure that interest on the Bonds is excluded from gross income for federal income tax purposes, as are set forth in any of the Documents, including any certificate or agreement executed by the Borrower; (j) all rights of the Issuer in connection with any amendment to or modification of any of the Indenture and the Loan Agreement, or the Tax Regulatory

Agreement insofar as any such amendment or modification would affect the Reserved Rights of the Issuer; (k) all approval rights of the Issuer relating to rent increases as provided in the Tax Regulatory Agreement; and (l) all enforcement rights with respect to the foregoing. All of the foregoing rights of the Issuer under the Indenture, the Tax Regulatory Agreement and the Loan Agreement are reserved to the Issuer, as none of these rights under the Indenture, the Tax Regulatory Agreement or the Loan Agreement are being assigned by the Issuer to the Mortgage Lender.

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

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

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

"State" means the State of South Carolina.

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

"Tax Certificate" means the Federal Tax Agreement and Non-Arbitrage Certificate dated the Closing Date between the Issuer and the Borrower.

"Tax Regulatory Agreement" means the Agreement as to Restrictive Covenants, dated as of the same date as the Indenture by and between the Issuer and the Borrower relating to the Bonds, and any and all modifications thereof, amendments and Supplements thereto and substitutions therefor.

"Title Company" means Chicago Title Insurance Company.

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

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

"Trustee" means U.S. Bank Trust Company, National Association, a national banking association, organized and existing under the laws of the United States and authorized to conduct business in the State, and its successor or successors in the trust created by the Indenture.

"Trustee Fee" means amounts due to the Trustee for the services rendered and the expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance on the Closing Date and on each _____ in the amount set forth in the Trustee's fee schedule then in effect or as otherwise agreed in writing between the Borrower and the Trustee, together with an acceptance fee payable on the Closing Date.

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

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

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

Creation of Funds

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

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

(b) the Project Fund;

(c) the Rebate Fund;

(d) the Costs of Issuance Fund;

(e) the Collateral Fund;

(f) the Permanent Loan Purchase Fund; and

(g) the Mortgage Loan Repayment Fund.

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

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

Deposits into and Use of Moneys in the Bond Fund

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

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

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

Collateral Fund; Project Fund

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

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

The Trustee shall transfer money in the Collateral Fund as follows: (i) on the Conversion Date, (A) first, to the Bond Fund, the amount sufficient to cause the partial redemption of the Bonds in the Conversion Redemption Amount as set forth in the Notice of Conversion (after application of any amounts then on deposit in the Project Fund), and (B) second, all remaining amounts in the Collateral Fund to the Mortgage Loan Repayment Fund, to be applied as provided in the Indenture, (ii) on a Mandatory Tender Date other than the Conversion Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent amounts on deposit in the Remarketing Proceeds Account and the Negative Arbitrage Account of the Bond Fund are insufficient therefor; and (iii) on any Redemption Date, to the Bond Fund the amount, together with amounts on deposit in the Bond Fund, necessary to pay the principal and interest due on the Bonds on such date.

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

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

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

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

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

The proceeds of the Bonds shall be allocated exclusively to pay costs that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 142(d) of the Code; and (ii) shall be deemed allocated on a pro rata basis to each building in the Project and the land on which it is located, so that each building and the land on which it is located will have been financed twenty-five percent (25%) or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing covenant is made for the benefit of the Borrower and neither the Trustee nor the Issuer shall have any obligation to enforce such covenant nor shall they incur any liability to any person, including without limitation, the Borrower, any affiliate of the Borrower or the holders of the Bonds for any failure to meet the intent expressed in the foregoing covenant.

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

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

Permanent Loan Purchase Fund

The Trustee shall establish and maintain a separate fund to be known as the "Permanent Loan Purchase Fund." On or before the Conversion Date, the Permanent Lender shall cause funds in an amount equal to the Actual Project Loan Amount as set forth in the Notice of Conversion to be deposited into the Permanent Loan Purchase Fund. On the Conversion Date, all funds in the Permanent Loan Purchase Fund shall be applied by the Trustee towards the payment of the purchase price of Bonds in a principal amount equal to the Actual Project Loan Amount. After such purchase, the Permanent Loan Purchase Fund shall be closed.

Procedure for Making Disbursements from Project Fund

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

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

on all such amounts, will be sufficient to pay Bond Service Charges on the outstanding Bond as and when they become due.

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

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

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

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

For purposes of complying with the requirements of this section, the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon the Requisition signed by the authorized officer of the Borrower. The Trustee shall not be bound to make an investigation into the facts or matters stated in any Requisition of the Borrower. The Trustee shall not be responsible for determining whether the funds on hand in the Project Fund are sufficient to complete the Project. The Trustee shall not be responsible for collecting any lien waivers or releases.

Investment of Bond Fund, Project Fund and Collateral Fund

Money in all funds or accounts including the Special Funds shall be invested and reinvested by the Trustee, and at all times held in Eligible Investments at the written direction of the Borrower as approved by the Issuer. In the absence of written direction of the Borrower, any moneys held under the Indenture shall be invested in (i) the First American Shares Treasury Obligations Fund 3801, or if such fund is unavailable, (ii) investments described in paragraph (b) of the definition of Eligible Investments.

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

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

The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable under the Indenture to and at times required for the purposes of paying any amounts due on the Bonds, and shall do so without necessity for any order on behalf of the Issuer or the Borrower and without restriction by reason of any order. An investment made from money credited to an applicable fund or account shall constitute part of that respective fund or account. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Project Fund and the Collateral Fund shall be credited to and become part of the Bond Fund. Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments upon receipt of a Cash Flow Projection. Notwithstanding anything in the Indenture to the contrary, (i) earnings received by the Trustee with respect to Eligible Investments purchased for the purpose of paying Bond Service Charges shall be held uninvested and (ii) Bond proceeds and the Initial Deposit to the Negative Arbitrage Account, if any, shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

Any investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association which is an affiliate or subsidiary of the Trustee provided that all such investments must be Eligible Investments. The Trustee shall not be liable for losses on investments made in compliance with the provisions of the Indenture. If the Trustee is required to sell or otherwise dispose of any Eligible Investments prior to maturity at a price below par in connection with a mandatory tender prior to the applicable Mandatory Tender Date, the Borrower shall, at the Borrower's expense, deliver to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds in the amount set forth in such Cash Flow Projection, if any.

Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, each of the Issuer and the Borrower agrees that confirmations of Eligible Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Trustee may conclusively rely upon the Borrower's and Issuer's written instructions as to both the suitability and legality of the directed investments.

Ratings of Eligible Investments shall be determined at the time of purchase of such Eligible Investments and without regard to ratings subcategories. The Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments.

Investment of Rebate Fund

Any moneys held as part of the Rebate Fund, and not immediately required for the purposes of the Rebate Fund, shall be invested or reinvested by the Trustee, at the written direction of the Borrower Representative and with the prior written approval of the Issuer, in Governmental Obligations or in any money market or short-term investment fund investing in or consisting solely of and secured by Governmental Obligations, including any such fund maintained by the Trustee or an affiliate thereof having maturities consonant with the need for funds as estimated by the Borrower. All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein.

Discharge of Lien

If and when the Bonds secured by the Indenture shall become due and payable in accordance with their terms as provided in the Indenture, or otherwise, and the whole amount of the principal and the interest so due and payable upon all of the Bonds, together with all other amounts payable under the Indenture by the Issuer and all fees and expenses of the Trustee and the Issuer, shall be paid, or provision shall have been made for the payment of the same, then the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon written request of the Issuer and subject to the provisions of the Indenture, the Trustee shall turn over to the Borrower, so long as there shall have occurred no Event of Default which is uncured and continuing, any surplus in the Bond Fund and all balances remaining in any other fund created under the Indenture and shall assign and transfer to the Issuer all other property then held by the Trustee under the Indenture and shall execute such documents as may be reasonably required by the Issuer.

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

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

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

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

Events of Default and Acceleration

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

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

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

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

(d) The Issuer fails to duly and promptly perform, comply with, or observe any covenant, condition, agreement or provision (other than as specified in (a) or (b) of this section) contained in the Bonds or in the Indenture on the part of the Issuer to be performed, and such failure shall continue for a period of ninety (90) days after written notice specifying such failure and requiring the same to be remedied shall have been given to the Issuer, the Borrower and the Investor Member by the Trustee, which notice may be given by the Trustee in its discretion and shall be given at the written request of the Holders of not less than 100% in principal amount of the Bonds then Outstanding; provided, however, that if such default be such that it is correctable but cannot be corrected within ninety (90) days, it shall not be an Event of Default if the Issuer, the Borrower or the Investor Member is taking appropriate corrective action to cure such failure and if such failure will not impair the security for the Loan or the Bonds.

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

If an Event of Default specified in (a) or (b) of this section shall occur and be continuing, the Trustee shall declare the principal of all Bonds then Outstanding to be immediately due and payable by notice in writing to that effect delivered to the Issuer, the Investor Member and the Borrower, and upon such declaration such principal, together with interest accrued thereon, shall become immediately due and payable at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

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

Each of the Investor Member and the Mortgage Lender shall be entitled (but not obligated) to cure any Event of Default under the Indenture within the time frame provided to the Borrower. The Issuer and the Trustee agree that cure of any default or Event of Default made or tendered by the Investor Member or the Mortgage Lender shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Remedies in Addition to Acceleration

Upon the occurrence of, and during the continuance of, any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Holders of not less than 51% in principal amount of the Bonds then Outstanding and receipt of satisfactory indemnity shall (in addition to its right or duty to accelerate as provided in the Indenture):

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

(b) bring suit upon the Bonds; or

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

Termination of Proceedings

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

Right of Bondholders to Direct Proceedings

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

Remedies Vested in Trustee

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

Application of Moneys

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

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

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

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

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

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

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

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

Amendments to Indenture and Loan Agreement Not Requiring Consent of Bondholders

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

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

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

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

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

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

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

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

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

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

Amendments to Indenture Requiring Consent of Bondholders

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

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

Within one hundred twenty (120) days after the date of giving such notice, the Issuer and the Trustee may enter into such supplemental indenture in substantially the form described in such notice only if there shall have first been filed with the Issuer (i) the written consents of Holders of not less than 66 2/3% in aggregate principal amount of the Bonds then outstanding (or 100% if required under the Indenture) and (ii) an opinion of counsel stating that (1) such supplemental indenture is authorized or permitted by the Indenture and complies with its terms, and that upon

adoption it will be valid and binding upon the Issuer in accordance with its terms and (2) the effectiveness of the supplemental indenture will not adversely affect the exclusion of interest on the Bonds from gross income for federal income taxes.

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

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

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

Supplemental Indentures Part of Indenture

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

Amendments to Documents Requiring Consent of Bondholders

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

Conversion Date

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

Severability

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

Mortgage Loan Documents Independent

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

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

Notwithstanding anything in the Indenture, the Loan Agreement, the Note or the Bond Purchase Agreement to the contrary, (i) the Mortgaged Property (as defined in the Mortgage Loan Security Instrument) shall not include any portion of the Trust Estate and the Mortgage Lender shall not have any claim to or lien upon the Trust Estate under the Indenture and funds held by the Trustee under the Indenture and pledged to secure the repayment of the Bonds, except for (A) Eligible Funds that may be returned to the party that deposited said funds with the Trustee as may be required under the Indenture, (B) amounts payable to the Mortgage Lender pursuant to the Indenture and (C) the Borrower's right to receive any amounts payable to the Borrower under the Indenture or the Loan Agreement, which right the Borrower may pledge to the Mortgage Lender as security for the Mortgage Loan and (ii) the Trust Estate shall not include any portion of the Mortgaged Property (as defined in the Mortgage Loan Security Instrument).

Recycling Transactions

Notwithstanding any provisions of the Indenture or the Bonds to the contrary, the Issuer shall be permitted to direct that payments representing prepayments or repayments of principal on the Note be delivered to a custodian or trustee selected by the Issuer, in lieu of application to repay a like portion of the Bonds, so long as the Issuer simultaneously causes other funds to be applied to repay 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. For purposes of effectuating the foregoing, the Trustee is, under the Indenture, authorized and directed to open and create such funds or accounts, which may be temporary in nature, as may be necessary or desirable, and to close such funds or accounts following the completion of the transfers set forth in such written direction.

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

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

Disbursements from the Project Fund

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

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

Borrower Required to Pay in the Event Project Fund Are Insufficient

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

Loan of Proceeds

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

Mortgage Loan to Borrower; Eligible Funds

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

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

Nothing contained in the Loan Agreement or the Indenture shall obligate the Mortgage Lender to advance proceeds of the Mortgage Loan or to deliver Eligible Funds to the Trustee except as and to the extent required under the Mortgage Loan Documents.

Borrower's Obligations Upon Tender of Bonds

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

Option to Terminate

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

Defaults Defined

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

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

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

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

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

The provisions of subsection (b) of this section are subject to the following limitation: if by reason of force majeure it is impossible for the Borrower in whole or in part, despite its best efforts, to carry out any of its agreements contained in the Loan Agreement (other than its obligations relating to the Loan as set forth in the Loan Agreement), the Borrower shall not be deemed in Default during the continuance of such inability. Such force majeure event does not affect any obligations of the Borrower other than the timing of performance of such obligations. The term "force

majeure" as used in the Loan Agreement shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; terrorism; landslides; earthquakes; fires; storms; droughts; floods; explosions; and events not reasonably within the control of the Borrower. The Borrower agrees, however, to use its best efforts to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreement. The settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Remedies on Default

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

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

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

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

No Remedy Exclusive

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

No Additional Waiver Implied by One Waiver

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

Mortgage Loan Documents Independent

Failure of the Issuer or the Borrower to comply with any of the covenants set forth in the Loan Agreement, the Indenture or the other Borrower Documents will not automatically serve as a basis for default on the Mortgage

Loan, the underlying Mortgage, or any of the other Mortgage Loan Documents, unless such default is expressly declared by the Mortgage Lender in accordance with the terms of the Mortgage Loan Documents.

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

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE TAX REGULATORY AGREEMENT

The following is a brief summary of certain provisions of the Agreement as to Restrictive Covenants (the "Tax Regulatory Agreement"). The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Tax Regulatory Agreement, a copy of which is on file with the Trustee. Capitalized terms used herein but not otherwise defined shall have those meanings set forth in the Tax Regulatory Agreement.

1. Provision of Rental Housing

The Borrower agrees to provide and operate the 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 Borrower.

The Borrower declares that the Project, including the Land, and every part thereof is and shall be owned (legally and beneficially), leased, or otherwise conveyed, transferred, developed, constructed, improved, built upon, occupied, or otherwise used, subject to the covenants and restrictions set forth herein (collectively, the "Covenants").

2. Binding Upon the Project

The Borrower acknowledges that the Tax Regulatory Agreement is for the benefit of the 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 Tax Regulatory Agreement. The Borrower agrees to take such steps as are requested of it by the Authority to assure the intent of the Loan Agreement, including, without limitation, the execution and recording of any instruments requested of it by the Authority and the inclusion of references hereto in any contract of sale or conveyance of the Project or any interest therein or management thereof.

3. Survival

Subject to the Tax Regulatory Agreement, the Covenants of the Borrower set forth herein shall survive a sale, transfer, or other disposition of the Project, including the Land, by the Borrower or the repayment of the Loan given by the Authority to the Borrower from the proceeds of the Bonds, but shall cease to apply to the Project, 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 Authority from enforcing the requirements herein, even though compensated by insurance, provided that the Bonds are retired within a reasonable period after such involuntary loss or substantial destruction. The Covenants of the 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 during the period beginning on the first day on which ten percent (10%) 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 percent (50%) 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 (the "Qualified Project Period"), the Borrower or a "related person" (within the meaning of Section 147(a)(2) of the Code) obtains an ownership interest in the Project.

4. The Project

The Project shall consist of the Land and all improvements thereon and the acquisition and construction of the improvements and facilities described in the initial recital of the Tax Regulatory Agreement.

(a) Components of the Project. The 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 subordinate 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) Construction and Completion. The Borrower will use the proceeds of the Mortgage Loan to purchase, construct and equip the Project. The proceeds of the Mortgage Loan are expected to be expended for the cost of acquisition, construction and equipping the Project not later than December 1, 2028.

(c) Change of Project. The Borrower will make no change in the nature, size (including number of units), or location of the Project from that which was described in a Notice of Public Hearing published on [_____], without the consent of the Authority.

5. Rental Procedures

(a) Applications. The Borrower shall require all applicants for rental of any unit in the Project to provide information on forms approved by the Authority as to the aggregate gross income of all of the occupants of such unit. The Borrower shall adopt procedures specified or approved by the Authority 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 hereunder, as if such occupant were a new tenant.

(b) Rental to Qualified Low Income Tenants; Suitability for Occupancy.

During the term of these Covenants, all units within the Project shall be leased and rented to members of the general public who qualify for the occupancy of low income units under the applicable election specified in Section 42(g) of the Code ("Low Income Tenants"). Section 42(h)(6)(B)(iv) prohibits the refusal to lease to a holder of a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as such holder. The Housing Sponsor covenants and agrees to comply with the provisions of Section 42(h)(6)(B)(iv) of the Code.

During the term of these Covenants, the Housing Sponsor covenants and agrees that each unit within the Project will remain suitable for occupancy and will be used other than on a transient basis.

(i) So long as any of the Bonds are unpaid, one hundred percent (100%) of the units within the Project shall be leased and rented to persons or families within the Beneficiary Class ("Qualified Tenants"). From time to time the Authority shall advise the Borrower 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 herein 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 Borrower.

(ii) The Borrower covenants and agrees that during the term of these Covenants each unit within the Project will remain suitable for occupancy and will be used other than on a transient basis.

(c) Low or Moderate Income Occupancy Requirement.

(i) All of the completed dwelling units in the Project shall be occupied continuously during the longer of (A) the remaining term of the Bonds or (B) the Qualified Project Period by individuals or families ("Federal Low Income Tenants") whose total aggregate income at the time of initial occupancy does not exceed sixty percent (60%) of the Area Median Gross Income ("Federal Income Test"), and the Borrower and the Authority hereby elect to apply the provisions of Section 142(d)(1)(B) of the Code to the Project. "Area Median Gross Income" means the median income in the geographic area in which the 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) (1) with appropriate adjustments to income level made for family size, all as provided in Section 142(d)(2)(B) of the Code and (2) as otherwise determined in accordance with Section 142(d)(2)(E) of the Code.

(ii) However, 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 the 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 or, in the case that the Project is allowed the credit under Section 42, in the same building (within the meaning of such Section 42) 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 in the Loan Agreement, 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.

(d) Provisions in Leases.

(i) Every agreement pursuant to which any unit is leased or is to be occupied shall contain a requirement that the tenant notify the 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 Tax Regulatory Agreement shall not be subleased nor shall this lease be assigned. This lease shall be subject to termination in accordance with applicable laws of the State of South Carolina (the "State").

(2) The tenant acknowledges that occupancy of the 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 in accordance with applicable State law. The Tenant agrees to provide the landlord and, upon written request, the Authority 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. No Partial Disposition. The Borrower and the Owner covenants that each 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.

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

(f) Marketing - Waiting Lists. The Borrower agrees to take reasonable steps to notify the public that units in the 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 Project by Qualified Tenants.

(g) Certain Fees. In and by the terms of the Loan Agreement, the Borrower is obligated to pay to the Authority an Issuer's Annual Fee. The obligation to pay such Issuer's Annual Fee shall remain in effect as long as these Covenants remain in effect notwithstanding a discharge of the Bonds or termination of the Loan Agreement.

(h) No Partial Disposition. The Borrower covenants that each 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.

6. Record Keeping, Reporting and Inspection

(a) The Borrower covenants that it will maintain records at the Project regarding compliance with these Covenants and will file or cause to be filed all reports required to be filed by the owner and operator of the Project under the Code and the Regulations, including, without limitation, Section 142(d)(7) of the Code. Such records shall be maintained in the format prescribed by the Authority and shall contain such information as to the occupants of the units designated for Federal Low Income Tenants as may be necessary to determine compliance with the provisions of the Code as well as compliance with the Act. The Borrower acknowledges that failure to file such certification with the Secretary of the Treasury shall subject the Borrower to penalty, as provided by the Code.

(b) The Authority shall be permitted to inspect such records and the Project at all reasonable times. Such inspection shall be for the purpose of verifying the accuracy of such records and the reports made to the Authority and for compliance herewith.

(c) The Borrower shall report to the Authority monthly with the information about the Project, its occupants, and the income of its occupants, as necessary, to enable the Authority to monitor compliance with these Covenants, including without limitation, compliance with Section 142(d) of the Code, as well as compliance with the Act. Such reports shall be in such form as is prescribed by the Authority. The Borrower agrees that the Authority may contact any tenant in the Project for the purpose of verifying the accuracy of such records.

(d) At the time of any proposed rent increase pursuant to Section 8 of Tax Regulatory Agreement, the Borrower shall furnish financial records to the Authority containing information on revenues and expenditures of the Project, including information relating to the effect of such increase, in such form as the Authority may reasonably require. The Borrower shall provide the Authority an annual financial report as to the Borrower containing a balance sheet and a statement of income and expenses, all prepared in conformity with generally accepted accounting principles.

7. Default; Corrective Action

In the event the Authority detects noncompliance with Section 5 of the Tax Regulatory Agreement and the Borrower or the manager of the Project does not immediately upon notification by the Authority take steps to correct such noncompliance, the Authority may terminate, in accordance with applicable State law, any lease resulting in such noncompliance and require the Borrower or its manager to relet or arrange for the releasing of any dwelling unit necessary to re-establish compliance herewith.

8. Rents and Other Charges

(a) The maximum monthly rental payable by a Qualified Tenant (taking into consideration rental assistance, if any, for such Qualified Tenant) for any unit required to be occupied by Federal Low Income Tenants shall not exceed the maximum monthly rent permitted to be charged pursuant to Section 42 of the Code for a rental unit containing the same number of bedrooms.

(b) At or before the execution hereof, the Borrower shall provide the Authority with a schedule of the rents expected to be charged for each unit in the Project to be occupied by the Federal Low Income Tenants. The

Borrower may thereafter change the schedule of rents from time to time only upon giving not less than 30 days written notice to the Authority accompanied by a certification that rents per unit under the proposed rent schedule will not exceed the maximum amounts provided for in these Covenants and that all statements contained in the notification are true and correct.

(c) The rental charged to any particular tenant or the occupants of any unit shall not be changed during the term of any lease thereof (treating each extension as a separate lease except for rent increases permitted in accordance with Section 42 of the Code) unless the unit covered by any particular lease is vacated during the term thereof.

9. Management Agreements

(a) In the event that the Borrower enters into any agreement for the management of the Project (the "Manager"), such agreement shall contain provisions authorizing the termination thereof and removal of the Manager at the direction of the Authority solely for cause; cause shall be deemed to exist upon the Authority's determination in writing of the failure of such Manager to comply with any material provision hereof. The Authority shall provide the Borrower written notice of its intention to remove the Manager and its reasons for removing the Manager at least 30 days prior to exercising its removal rights under the Tax Regulatory Agreement. Upon receipt of such notification and subsequent removal of the Manager, the Borrower shall make arrangements satisfactory to the Authority in its discretion, for the continuing proper management of the Project.

(b) The Borrower shall give the Authority at least 10 days' advance notice of the identity of any proposed replacement Manager and shall obtain the Authority's prior written consent to the new Manager, which consent shall not unreasonably be withheld, conditioned, or delayed. If the Borrower fails to hire an approved replacement Manager within 30 days of the termination, the Authority shall have the right to contract with a replacement Manager on behalf of the Borrower and shall notify the Borrower of the identity of the replacement manager. The Authority shall have no liability for the selection or failure to select a replacement Manager under the Tax Regulatory Agreement.

(c) Within 10 business days after the termination of the Manager's right to manage the Project, the Manager shall account to the Borrower with respect to all matters outstanding as of the date of termination and shall turn over to the Borrower or a successor Manager approved by the Authority all records, documents, or other instruments, waiting lists, and all other files and papers in its possession pertaining to the Manager's management of the Project.

(d) Any subsequent Manager shall be subject to the terms of the Tax Regulatory Agreement.

10. Duration and Modification

(a) Duration. Unless terminated sooner pursuant to the Covenants shall commence on the first day of the Compliance Period (as defined by Section 42 of the Code) on which any building in the Project is placed in service and shall end on the latest of (i) the date which is 15 years after the close of the Compliance Period, (ii) the date on which the last of the indebtedness represented by the Bonds used to finance the Project has been paid, or (iii) the end of the Qualified Project Period. Notwithstanding the following provision, the Housing Sponsor shall comply with the provisions of Section 42 of the Code relating to extended use for an additional 15 years, provided, however, that the extended use period for any building shall terminate on the date any such building is acquired by foreclosure (or by any instrument in lieu of foreclosure), or on the last day of the one year period beginning on the date (after the 14th year of the Compliance Period) the Housing Sponsor submits a written request that the Authority find a person to acquire the Housing Sponsor's interest in any such building who will agree to continue to operate such building as a "qualified low income building" (as defined in Section 42(c)(2) of the Code), and the Authority has been unable to locate such a purchaser. Provided, further, that the rent restrictions contained in Section 42 of the Code shall continue for the extended use period and for a period of three years following the termination of the extended use period pursuant to the preceding sentence. During the extended use period and for the three year period thereafter, no Low Income tenant residing in such building shall be evicted other than for good cause and the gross rent charged for any Low Income unit shall not be increased above the maximum allowed under the Code for such Low Income unit.

(b) Early Termination. The requirements of these Covenants shall cease to apply to the Project 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 which prevents the Authority from enforcing the Regulations or these Covenants, or condemnation or similar event but only if, within a reasonable period, the Bonds 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 Section 10(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 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 Project for tax purposes.

(c) Modification or Release. Upon payment in full of the Bonds issued and upon expiration of the Qualified Project Period, and expiration of the term of these covenants under Section 10(a) or 10(b) above, the Authority shall execute an instrument in recordable form to such effect, as evidence of termination of the Tax Regulatory Agreement. Otherwise, these Covenants may only be waived, modified, amended, altered, or released by an instrument in writing executed by the Authority.

11. Special Tax Covenants

(a) It is the intention of the Borrower and the Authority 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 Borrower in the Tax Regulatory Agreement are for the benefit of each and every owner of a Bond. The Borrower and the Authority each covenants that it will comply with its respective requirements contained in the Tax Agreement (as defined in the Indenture). Without limiting the foregoing and notwithstanding anything to the contrary in the Tax Regulatory Agreement, the Borrower will not take, or permit to be taken on its 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 Borrower 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 Borrower will pay to the United States any amount required to be paid by the Authority or the Borrower 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 Borrower agrees 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 Borrower's written request, the Authority will cooperate with the Borrower 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 Authority in order to maintain such exclusion, all at the Borrower's expense. The Authority shall be entitled to indemnification and reimbursement from the Borrower with respect to performance of any of its obligations or discretionary actions under the Tax Regulatory Agreement.

(c) In the event the Borrower fails to take any action necessary to continue the exclusion from gross income on the Bonds (including any actions described above) or takes and refuses to timely remedy any action which may trigger such inclusion (all in Bond Counsel's opinion), the Authority 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 Borrower's expense.

(d) The Borrower agrees it will file or record such documents and take such other steps as are necessary, in the written opinion of Bond Counsel filed with the Authority, the Borrower, and the Trustee, in order to ensure that the requirements and restrictions of the Tax Regulatory Agreement will be binding upon all owners of the Project,

including, but not limited to, the execution and recordation of the Tax Regulatory Agreement in the real property records of the county in which the Project is located.

(e) The Borrower shall notify the Trustee and the Authority of the occurrence of any event of which the Borrower has notice and which event, to the knowledge of the Borrower, would cause the interest on the Bonds to become subject to federal income taxation.

12. Legal Action Upon Violation

Violation of any of these Covenants may be enjoined, abated, restrained, or otherwise remedied by appropriate legal or equitable proceedings. Any individual who qualifies as a Federal Low Income Tenant (or otherwise qualify for the occupancy of low income units) (whether prospective, present, or former occupant) shall be entitled, for the breach of the provisions in the Tax Regulatory Agreement, and in addition to all other remedies provided by law or equity, to enforce specific performance by the Borrower of its obligations under the Tax Regulatory Agreement in a court of competent jurisdiction. In the event of proceedings brought by any party or parties to enforce or restrain violation of any of these Covenants, or to determine the rights or duties of any person hereunder, the prevailing party in such proceedings may recover reasonable attorney's fees to be fixed by the court, in addition to court costs and any other relief awarded by the court in such proceedings. However, enforcement of these Covenants shall not result in any claim against the mortgaged property, the proceeds of the Mortgage Loan, any reserve or deposit made with the Mortgage Lender, or any reserve or deposit made with the Trustee or any other person or entity in connection with the Mortgage Loan, or against the rents or other income or revenues from the Project, the Project, or any assets, income, or other property of the Borrower or any of its members.

13. Enforceability

The Covenants shall bind the Borrower and its successors and assigns, and shall inure to the benefit of and be enforceable by the Issuer and its successors and assigns. The failure of the Issuer to enforce any of the Covenants shall not be deemed a waiver of the right to enforce the same thereafter. There shall be no waiver, modification, amendment, alteration, or release of any of the Covenants except in accordance with the Tax Regulatory Agreement. The Borrower, the Owner, and the Issuer each acknowledges that a primary purpose for requiring compliance by the Borrower with the Tax Regulatory Agreement is to preserve the excludability from gross income for federal income tax purposes of interest on the Bonds, and that the Trustee, on behalf of the holders of the Bonds, who are declared to be third party beneficiaries of the Tax Regulatory Agreement, shall upon any breach of the provisions in the Tax Regulatory Agreement, be entitled to exercise the remedies available in the Tax Regulatory Agreement.

14. Grantee's Covenants

Each grantee accepting a deed, lease, or other instrument conveying any interest in the Project, including the Land, whether or not the same incorporates or refers to the Tax Regulatory Agreement, covenants for himself, his heirs, successors, and assigns to observe, perform, and be bound by the Covenants and to incorporate the same by reference in any instrument of conveyance; provided, however, that the covenant shall not bind a grantee upon involuntary conveyance (including, but not limited to, a deed in lieu of foreclosure) of the Land or Project.

15. Certain Transferees Not Bound

Any person who acquires the Project, including the Land, or any part thereof as a consequence of a foreclosure of the Mortgage Loan Security Instrument or after a deed in lieu of foreclosure, or after an early termination as described in the Tax Regulatory Agreement shall take free and clear of the Covenants, all as provided therein.

16. Change in Regulations

The Borrower and the Owner acknowledges that the Tax Regulatory Agreement is based upon the Code and Regulations as they exist on the date hereof and that the Code or Regulations may be subsequently modified or interpreted by the federal government in a manner which is inconsistent with the Covenants set forth herein. The Borrower agrees to comply with any additional covenant and restriction which the Issuer believes upon the written

advice of counsel furnished to the Borrower, the Owner, and the Issuer is necessary to maintain the tax-exempt status of the interest on the Bonds and which is communicated in writing to the Borrower, even though such covenant or restriction is not a part of the Tax Regulatory Agreement as originally executed; provided, however, that if counsel for the Borrower or the Owner disagrees with the advice of counsel for the Issuer, the Borrower and the Owner shall have the right at its own expense to proceed with obtaining a favorable ruling from the Internal Revenue Service or such court interpretation which the Borrower or the Owner deem advisable and in its best interest and the Issuer agrees to cooperate with the Borrower and the Owner in this regard, so long as the Borrower bears the Issuer's expense in obtaining such ruling or interpretation. In such event, such additional covenant or restriction shall be considered a material part of the Tax Regulatory Agreement as if it had been originally included herein.

17. Recording of Agreement

The Borrower shall cause the Tax Regulatory Agreement, and all amendments and supplements hereto, to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other place as the Issuer may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording.

18. State Law

These Covenants shall be construed in accordance with and governed by the laws of the State of South Carolina.

19. Federal Tax Credits

The Borrower agrees that it will cause to be located in the official land records of the county in which the Project is located an Amendment to the Tax Regulatory Agreement in form and substance acceptable to the Authority if necessary to allow the Borrower to receive low-income housing tax credits available under Section 42 of the Code.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

$6,572,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Berea Heights Villas Project)
Series 2026

This Continuing Disclosure Agreement, dated as of November 1, 2026 (this "Continuing Disclosure Agreement"), is executed and delivered by Berea Heights SC LLC, a South Carolina limited liability company (the "Borrower"), and U.S. Bank Trust Company, National Association, 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 November 1, 2026 (the "Indenture") between the South Carolina State Housing Finance and Development Authority (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). Pursuant to the Indenture and the Loan Agreement, dated as of November 1, 2026, between the Issuer and the Borrower (the "Loan Agreement"), the Dissemination Agent and the Borrower covenant and agree as follows:

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

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

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

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

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

"*Disclosure Representative*" shall mean the administrator of the Project or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time and if the Borrower fails to provide contact information for the Disclosure Representative, the Dissemination Agent may contact the Disclosure Representative using the contact information for the Borrower set forth in Section 12 hereof.

"*Dissemination Agent*" shall mean U.S. Bank Trust Company, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

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

"*MSRB*" means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934. All documents provided to the MSRB shall be in an electronic format and

* Preliminary; subject to change.

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 Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower's fiscal year, commencing with the fiscal year ending on December 31, 2027, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

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

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

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

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

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

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

Section 5. Reporting of Listed Events.

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

(i) Principal and interest payment delinquencies;

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

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

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

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

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

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

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

(ix) Defeasances;

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

(xi) Rating changes;

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

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

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

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

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

(xvii) The Project's being placed in service for purposes of qualifying the property for low income housing tax credits. Notice of the Project's being placed in service from the Borrower to the Dissemination Agent shall be in the form attached as Exhibit D hereto 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, other than pursuant to subsection (c) of this Section 5, provide the Disclosure Representative with notice (by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items relating to the Bonds 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. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Borrower, and not that of the Trustee or the Dissemination Agent, and the Dissemination Agent has agreed to give the foregoing notice to the Disclosure Representative as an accommodation to assist it in monitoring the occurrence of such event, but is under no obligation to investigate whether any such event has occurred. As used above, "actual knowledge" means the actual fact or statement of knowing, without a duty to make any investigation with respect thereto. In no event shall the Dissemination Agent be liable in damages or in tort to any person or entity, including the Participating Underwriter, the Issuer, Borrower, or any Holder or Beneficial Owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

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

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

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

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

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

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

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

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

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

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

Section 9. Reserved.

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

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

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

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

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

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

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

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

If to the Borrower:

Berea Heights SC LLC
c/o Fitch Irick Corporation
1515 Mockingbird Lane, Suite 1010
Charlotte, NC 28209
Attention: Robert Lampher
Email: RLampher@fitchirick.com

If to the Dissemination Agent:

U.S. Bank Trust Company, National Association
2 Concourse Parkway, Suite 800
Atlanta, GA 30328
Attention: Zack Buckner
Email: zacchaeus.buckner@usbank.com

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

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

Section 15. 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.

Section 16. Indemnification. IN ADDITION TO ANY AND ALL RIGHTS OF THE DISSEMINATION AGENT FOR REIMBURSEMENT, INDEMNIFICATION AND OTHER RIGHTS PURSUANT TO THE RULE OR UNDER LAW OR EQUITY, THE BORROWER SHALL INDEMNIFY AND HOLD HARMLESS THE DISSEMINATION AGENT AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS FROM AND AGAINST ANY AND ALL CLAIMS, DAMAGES, LOSSES, LIABILITIES, REASONABLE COSTS AND EXPENSES WHATSOEVER (INCLUDING REASONABLE ATTORNEY FEES) WHICH SUCH INDEMNIFIED PARTY MAY INCUR BY REASON OF OR IN CONNECTION WITH THIS CONTINUING DISCLOSURE AGREEMENT; PROVIDED THAT THE BORROWER SHALL NOT BE REQUIRED TO INDEMNIFY THE DISSEMINATION AGENT FOR ANY CLAIMS, DAMAGES, LOSSES, LIABILITIES, COSTS OR EXPENSES TO THE EXTENT, BUT ONLY TO THE EXTENT, DIRECTLY CAUSED BY THE WILLFUL MISCONDUCT OR GROSS NEGLIGENCE OF THE DISSEMINATION AGENT IN DISCLOSURE OF INFORMATION HEREUNDER. THE OBLIGATIONS OF THE BORROWER UNDER THIS SECTION SHALL SURVIVE RESIGNATION OR REMOVAL OF THE DISSEMINATION AGENT, TERMINATION OF THIS CONTINUING DISCLOSURE AGREEMENT, AND THE DEFEASANCE, REDEMPTION OR PAYMENT OF THE BONDS.

[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.

BEREA HEIGHTS SC LLC,
a South Carolina limited liability company

By: SHPI Berea Heights GP LLC,
a South Carolina limited liability company,
its Managing Member

By: Southeastern Housing Preservation, Inc.,
a North Carolina limited liability company,
its Sole Member

By: _____
Ira M. Slomka
President

[Counterpart Signature Page to Continuing Disclosure Agreement]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Officer

EXHIBIT A

ANNUAL REPORT

$6,572,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Berea Heights Villas Project)
Series 2026

CUSIP: _____

Annual report for the period ending December 31, _____

THE PROJECT

Name of the Project:	Berea Heights Villas
Address:	125 Lions Club Road, Greenville, South Carolina 29617
Number of Units:	72

INFORMATION ON THE BONDS

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

OPERATING HISTORY OF THE PROJECT

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

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

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

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

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

* Preliminary; subject to change.

AUDITED FINANCIAL STATEMENTS

____ Attached

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

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

EXHIBIT B

NOTICE OF FAILURE TO
FILE ANNUAL DISCLOSURE REPORT

Name of Issuer: South Carolina State Housing Finance and Development Authority

Name of Bond Issue: Multifamily Housing Revenue Bonds (Berea Heights Villas), Series 2026

Name of Borrower: Berea Heights SC LLC

CUSIP: _____

Date of Issuance: November __, 2026

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

DATED: _____

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT C

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF PROJECT PLACED IN SERVICE

Name of Issuer:	South Carolina State Housing Finance and Development Authority
Name of Bond Issue:	Multifamily Housing Revenue Bonds (Berea Heights Villas), Series 2026
Name of Borrower:	Berea Heights SC LLC
Name of Project:	Berea Heights Villas
Address of Project:	125 Lions Club Road, Greenville, South Carolina 29617
Date of Issuance:	November __, 2026

NOTICE IS HEREBY GIVEN as per the requirements of the Continuing Disclosure Agreement, dated as of November 1, 2026, between the above-referenced borrower (the "Borrower") and U.S. Bank Trust Company, National Association, as Dissemination Agent, that the Borrower has certified that the above-referenced project (the "Project") is complete and placed in service by the Borrower as evidenced by a certificate from the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code.

Dated:

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____
Authorized Officer

cc: Borrower

EXHIBIT D

FORM OF NOTICE OF PLACED IN SERVICE

$6,572,000*
South Carolina State Housing Finance and Development Authority
Multifamily Housing Revenue Bonds
(Berea Heights Villas Project)
Series 2026

The undersigned hereby provides notice to U.S. Bank Trust Company, National Association, a national banking association, as dissemination agent (the "Dissemination Agent") that the multifamily rental housing facility known as Berea Heights Villas (the "Project") has been placed in service in accordance with the Trust Indenture, dated as of November 1, 2026, between South Carolina State Housing Finance and Development Authority (the "Issuer") and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), pursuant to which the above-captioned bonds were issued, as further evidenced by the attached Certificate of Occupancy.

BEREA HEIGHTS SC LLC,
a South Carolina limited liability company

By: SHPI Berea Heights GP LLC,
a South Carolina limited liability company,
its Managing Member

By: Southeastern Housing Preservation, Inc.,
a North Carolina limited liability company,
its Sole Member

By: _____
Ira M. Slomka
President

* Preliminary; subject to change.

ATTACHMENT

Certificate of Occupancy

APPENDIX F

FORM OF BOND COUNSEL OPINION

[_____], 2026

Board of Commissioners
South Carolina State Housing
Finance and Development Authority
Columbia, South Carolina

Re: $[_____] South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Berea Heights Villas), Series 2026

Ladies and Gentlemen:

As bond counsel to Berea Heights SC LLC, a South Carolina limited liability company (the "Housing Sponsor"), we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us, including the Constitution and Statutes of the State of South Carolina, in relation to the issuance by the South Carolina State Housing Finance and Development Authority (the "Issuer") of its $[_____] South Carolina State Housing Finance and Development Authority Multifamily Housing Revenue Bonds (Berea Heights Villas), Series 2026 (the "Bonds"). The Bonds are issued pursuant to the provisions of (i) Title 31, Chapter 13 of the Code of Laws of South Carolina 1976, as amended (the "Act"), (ii) a Loan Agreement, dated as of November 1, 2026 (the "Loan Agreement"), between the Issuer and the Housing Sponsor, (iii) a Trust Indenture, dated as of November 1, 2026 (the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"), and (iv) a resolution (the "Resolution") adopted by the Board of Commissioners of the Issuer authorizing the issuance and sale of the Bonds. Pursuant to the Loan Agreement, the Issuer will make a mortgage loan (the "Mortgage Loan") to the Housing Sponsor to be used to provide financing for the acquisition and construction of a multifamily rental housing development (the "Project") described in the Loan Agreement and Indenture. Under the Loan Agreement, the Housing Sponsor has agreed to make the payments to or on behalf of the Issuer sufficient to pay, in the aggregate, the principal of, premium, if any, and interest on the Bonds, as well as other payments, property, and revenues pledged to the payment thereof under the Indenture (collectively, the "Trust Estate").

The Project is subject to an Agreement as to Restrictive Covenants, dated as of November 1, 2026 (the "Regulatory Agreement"), between the Housing Sponsor and the Issuer, and the Federal Tax Agreement and Non-Arbitrage Certificate, dated the date hereof (the "Tax Agreement"), between the Housing Sponsor and the Issuer. The Loan Agreement, the Indenture, the Regulatory Agreement, and the Tax Agreement contain covenants that include requirements regarding the application and investment of the proceeds of the sale of the Bonds, the use and occupancy of the residential units of the Project, and the rebate of certain investment proceeds to the United States government.

With respect to the power of the Housing Sponsor to enter into and perform its obligations under the Loan Agreement and the other documents to which it is party, the due authorization, execution, and delivery of the Loan Agreement and the other documents by the Housing Sponsor, and the validity and enforceability thereof against the Housing Sponsor, we refer you to our opinion as counsel to the Housing Sponsor of even date herewith addressed to you.

As to questions of fact material to our opinion, we have relied upon representations of and compliance with covenants by the Housing Sponsor and the Issuer contained in the Loan Agreement, the Indenture, the Regulatory Agreement, the Tax Agreement, certificates of public officials furnished to us, and certificates of representatives of the Housing Sponsor, the Issuer, and other parties, in each case, without undertaking any independent verification, although nothing has come to our attention to lead us to believe we are not justified in so relying. We have assumed that all signatures on documents, certificates, and instruments examined by us are genuine; all documents, certificates, and instruments submitted to us as originals are authentic; and all documents, certificates, and instruments submitted to us as copies conform to the originals. In addition, we have assumed that all documents, certificates, and instruments relating to this financing have been duly authorized, executed, and delivered by all parties thereto other than the Issuer, and we have further assumed the due organization, existence, and powers of such other parties other than the Issuer.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Preliminary Official Statement, the Official Statement or any offering material relating to the Bonds and we express no opinion relating thereto.

Based on the foregoing, as of the date hereof we are of the opinion, under existing law, as follows:

1. The Issuer is validly existing as a body corporate and politic of the State of South Carolina with the corporate power to enter into and perform its obligations under the Loan Agreement and the Indenture and to issue the Bonds.

2. The Loan Agreement and the Indenture have been duly authorized, executed, and delivered by the Issuer, and (assuming due authorization, execution, and delivery thereof by the other parties thereto) are valid and binding agreements of the Issuer enforceable against the Issuer in accordance with their terms.

3. The Resolution has been duly adopted and the Bonds have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the Trust Estate. The Bonds are not general obligations or an indebtedness of the Issuer within the meaning of any constitutional or statutory limitation, and do not constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit, but are payable solely from the Trust Estate.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Code, and is not a preference item for purposes of the federal alternative minimum tax. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Housing Sponsor comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Housing Sponsor have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be so included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

5. Principal and interest on the Bonds are exempt from all state, county, municipal, school district, and all other taxes or assessments imposed within of the State of South Carolina, except inheritance, transfer, and certain franchise taxes. Furthermore, it should be noted that Section 12-11-20 of the Code of Laws of South Carolina 1976, as amended, imposes upon every bank engaged in business in South Carolina a fee or franchise tax computed on the entire net income of such bank, which includes interest on the Bonds.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture, and the Loan Agreement are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity. Certain indemnity provisions may be unenforceable pursuant to court decisions invalidating such indemnity agreements on grounds of public policy.

We express no opinion regarding the perfection or priority of the lien on the Trust Estate under the Indenture.

Except as expressly stated above, we express no opinion regarding any other federal or state income tax consequences of acquiring, carrying, owning, or disposing of the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds, which may include original issue premium, purchase at market discount or at a premium, taxation upon sale, redemption, or other disposition, and various withholding requirements.

This opinion is given as of the date hereof, and we assume no obligation to 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.

Our services as Bond Counsel have been limited to rendering the foregoing opinions based on our review of such legal proceedings as we deem necessary to make the statements contained in this letter with respect to the validity of the Bonds and the tax-exempt status of the interest on the Bonds. We have not examined any documents or other information concerning the business or financial resources of the Issuer or the Housing Sponsor, and we express no opinion as to the accuracy or completeness of any information with respect to the Issuer or the Housing Sponsor that may have been relied upon by the purchaser of the Bonds in making its decision to purchase the Bonds.

Very truly yours,