

**PRELIMINARY OFFICIAL STATEMENT DATED JUNE 11, 2026**

**Book-Entry Only**

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

*In the opinion of Adams and Reese LLP, Nashville, Tennessee, Bond Counsel, under existing law and subject to certain qualifications described herein, the interest on the Bonds is excludable from gross income for federal income tax purposes, except during any period while a Bond is held by a "substantial user" of the facilities financed by the Bonds or by a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. Bond Counsel is further of the opinion that, under existing law, the Bonds and the interest on the Bonds are exempt from all state, county and municipal taxation in the State of Tennessee, except to the extent that interest on the Bonds is included within the meaning of certain franchise and excise taxes imposed under Tennessee law. See "TAX MATTERS" herein.*

**\$21,171,000\***

**The Health and Educational Facilities Board of  
The Metropolitan Government of Nashville and Davidson County, Tennessee  
Multifamily Housing Revenue Bonds  
(Skyline Heights), Series 2026**

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

**Maturity Date: June 1, 2056\***  
**Initial Mandatory Tender Date: July 1, 2027\***  
**Optional Redemption Date: December 1, 2026\***  
**CUSIP: \_\_\_\_\_**

The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (the "Issuer") is issuing its Multifamily Housing Revenue Bonds (Skyline Heights), Series 2026 (the "Bonds") pursuant to a Trust Indenture dated as of June 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 to but not including the Initial Mandatory Tender Date set forth above (the "Initial Mandatory Tender Date"), payable on each January 1 and July 1 commencing January 1, 2027\*. The Bonds will be issued as fully registered bonds in book entry form and book entry interests in the Bonds will be available for purchase in principal amounts of \$5,000, or any integral multiple of \$1,000 in excess thereof. See "THE BONDS" herein.

The Bonds are being issued to finance a loan (the "Loan") to 927 Skyline Ridge Drive, LP, a Tennessee limited partnership (the "Borrower") to enable the Borrower to pay a portion of the costs incurred in connection with acquiring, constructing and equipping of a multifamily residential rental housing project to be located in Madison, Davidson County, Tennessee (the "Project"). The Loan will be made to the Borrower pursuant to a Loan Agreement, dated as of June 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, together with interest earnings thereon (without the need for reinvestment), 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 \$21,171,000\* (the "Note") from the Borrower to the Issuer and endorsed to the Trustee.

Pursuant to the Loan Agreement and after the issuance of the Bonds, the Borrower anticipates that it will close on a mortgage loan (the "Mortgage Loan") with a lending institution (the "Mortgage Lender") that will, over time, deposit Eligible Funds (as defined herein) of up to \$21,171,000\* into the Collateral Fund established under the Indenture, allowing the Trustee to disburse a like amount of Bond proceeds or refunding proceeds to the Borrower to pay costs of the Project pursuant to the terms of the Indenture and the Loan Agreement. It is anticipated that the principal of and interest on the Bonds will be paid from amounts on deposit (plus interest earnings thereon) in the Bond Fund, the Collateral Fund, and the Project Fund (together, the "Special Funds").

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

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

At all times the Bonds will be secured by amounts on deposit under the Indenture, which amounts shall constitute Eligible Funds (as defined herein) and shall be invested in Eligible Investments, and such amounts will be sufficient (along with investment 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 on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

It is anticipated that the Issuer will issue additional tax-exempt bonds (the "Additional Bonds") for the Project upon the closing of the Mortgage Loan such that the total aggregate amount of bonds outstanding for the Project will be \$81,000,000. These Additional Bonds would refund the Bonds and would pay a portion of the costs of the Project. These Additional Bonds are not part of the offering contemplated herein and reference is included for informational purposes only.

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE STATE, THE METROPOLITAN GOVERNMENT, NOR

\* Preliminary; subject to change.

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

ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NEITHER THE BONDS NOR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE STATE, THE METROPOLITAN GOVERNMENT, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE), WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.

The Bonds are offered for delivery when, as and if issued and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter") and subject to the approval of legality by Adams and Reese LLP, Nashville, Tennessee, and 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, Reno & Cavanaugh PLLC, Nashville, Tennessee. 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 June \_\_, 2026.

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

# STIFEL

Date: June \_\_, 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.

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 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 Borrower 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.

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

**\$21,171,000\***

**The Health and Educational Facilities Board of  
The Metropolitan Government of Nashville and Davidson County, Tennessee  
Multifamily Housing Revenue Bonds  
(Skyline Heights), 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 Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (the “Issuer”) a public nonprofit corporation organized under the laws of the State of Tennessee (the “State”). The Issuer has authorized the issuance of the Bonds by its duly adopted resolution dated June 8, 2026 (the “Bond Resolution”) and the Bonds are issued pursuant to a Trust Indenture dated as of June 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 Title 48, Chapter 101, Part 3 of the Tennessee Code Annotated, as now in effect and as from time to time hereafter amended or supplemented (the “Act”), for the purpose of providing funds to make a loan (the “Loan”) to 927 Skyline Ridge Drive, LP, a Tennessee limited partnership (the “Borrower”) to enable the Borrower to pay a portion of the costs incurred in connection with acquiring and the costs of constructing and equipping of a multifamily residential rental housing development to be located in Madison, Davidson County, Tennessee (the “Project”). See “PRIVATE PARTICIPANTS” and “THE PROJECT” herein.

The Loan will be made to the Borrower under a Loan Agreement dated as of June 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, together with interest earnings thereon, 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 \$21,171,000\* (the “Note”) from the Borrower to the Issuer and endorsed to the Trustee.

It is anticipated that after the issuance of the Bonds, the Borrower will obtain a mortgage loan (the “Mortgage Loan”) from a lending institution (the “Mortgage Lender”) on or about January 15, 2027\*, and that the Mortgage Lender will deposit certain proceeds of the Mortgage Loan (the “Eligible Funds”) into the Collateral Fund held by the Trustee under the Indenture allowing the Trustee to disburse a like amount of Bond proceeds or refunding proceeds to the Borrower to pay costs of the Project pursuant to the terms of the Indenture and the Loan Agreement. See “THE PROJECT — Plan of Financing” herein.

Amounts on deposit in the Collateral Fund, the Bond Fund and the Project Fund (collectively, the “Special Funds”) will be invested in Eligible Investments. It is anticipated that the aggregate Eligible Funds and Eligible Investments on deposit in the Project Fund and the Collateral Fund will, at all times, equal the principal amount of Outstanding Bonds. It is anticipated that the Bond Service Charges will be paid from amounts on deposit in the Special Funds, along with investment earnings thereon (without the need for reinvestment). At all times the Bonds will be secured by amounts on deposit under the Indenture, which amounts shall constitute Eligible Funds (as defined herein) and shall be invested in Eligible Investments, and such amounts will be sufficient (along with investment 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 on the earlier of any Mandatory Tender Date or any Redemption Date, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

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\* Preliminary; subject to change.

The Bonds shall bear interest on the outstanding principal amount thereof at a rate equal to the interest rate set forth on the cover page hereof (the “Initial Interest Rate”) from their date, to but not including, July 1, 2027\* (the “Initial Mandatory Tender Date”), payable on each January 1 and July 1, commencing January 1, 2027\* (each an “Interest Payment Date”) and on each Mandatory Tender Date and each Redemption 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 the Initial Mandatory Tender Date. All Bondholders must tender their Bonds for purchase on the Initial Mandatory Tender Date. A new interest rate for the Bonds may be determined on the Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing.

The Bonds are subject to optional and mandatory redemption prior to maturity as set forth herein under “THE BONDS.”

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

## THE ISSUER

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

The Issuer is a public, nonprofit corporation organized pursuant to the laws of the State of Tennessee, specifically Title 48, Chapter 101, Part 3 of the Tennessee Code Annotated, as amended (the “Act”). The Issuer is authorized by the Act to finance the acquisition, construction and equipping of a multifamily residential rental housing development, to be known as Skyline Heights containing approximately 280 units, for low to moderate income persons in Madison, Davidson County, Tennessee. The Issuer adopted a final bond resolution on June 8, 2026, authorizing the issuance of the Bonds.

The Issuer was created pursuant to the Act for the purposes, among other things, of improving and maintaining the health and living conditions of the residents of the State and providing additional safe and sanitary multifamily housing facilities to be used by persons of low and/or moderate income. The powers of the Issuer are vested in a board of directors comprised of not less than seven (7) volunteer members, all of whom are residents of Davidson County, Tennessee.

### Limitations on Liability

Although the Issuer is a public instrumentality of The Metropolitan Government of Nashville and Davidson County, Tennessee (the “Metropolitan Government”), neither the Metropolitan Government nor the State of Tennessee are liable for the payment of the principal of or interest on the Bonds or any other bonds of the Issuer, or for the performance of any pledge, mortgage, obligation or agreement undertaken by the Issuer under the Indenture, the Loan Agreement or otherwise. The Issuer has other series of bonds outstanding for other parties.

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\* Preliminary; subject to change.

The officers, agents, employees, directors and members of the Issuer shall not be personally liable for any costs, losses, damages or liabilities caused or incurred by the Issuer or the Trustee in connection with the Indenture or the Loan Agreement or for the payment of any obligation under the Indenture or the Loan Agreement.

**THE ISSUER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER CONCERNING THE ECONOMIC FEASIBILITY OF THE PROJECT OR THE CREDITWORTHINESS OF THE PROJECT, AND NO SUCH REPRESENTATION OR WARRANTY SHALL BE IMPLIED FROM THE ISSUANCE OR REMARKETING OF THE BONDS OR THE OTHER TRANSACTIONS DESCRIBED OR CONTEMPLATED HEREIN. THE ISSUER HAS NOT INDEPENDENTLY VERIFIED ANY INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT OTHER THAN THE INFORMATION UNDER THIS CAPTION.**

#### **Limited Involvement of the Issuer**

The Issuer has not prepared or assisted in the preparation of this Official Statement, including any financial information included herein or attached hereto; and, except for the information contained under this section, the Issuer is not responsible for any statements made in this Official Statement. Accordingly, the Issuer disclaims responsibility for the disclosures set forth in this Official Statement or otherwise made in connection with the offer, sale and distribution of the Bonds.

The Issuer has not reviewed any appraisal for the Project or any feasibility study or other financial analysis of the Project and has not undertaken to review or approve expenditures for the Project, to supervise the construction of the Project, or to obtain any financial statements of the Borrower.

No agreement or obligation contained in the Indenture shall be deemed to be an agreement or obligation of any director, member, official, officer, agent, employee or attorney of the Issuer in his or her individual capacity, and neither the members 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 or remarketing thereof. No director, member, official, officer, agent, employee or attorney of the Issuer shall incur any personal liability with respect to any other action taken by him or her pursuant to the Indenture.

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE STATE, THE METROPOLITAN GOVERNMENT, NOR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NEITHER THE BONDS NOR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE STATE, THE METROPOLITAN GOVERNMENT, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE), WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.

NO MEMBER, DIRECTOR, OFFICIAL, 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 OR REMARKETING 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 OR ANY SUPPLEMENTAL INDENTURE, AGAINST ANY MEMBER, DIRECTOR, OFFICIAL, 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 BOND AND

AS PART OF THE CONSIDERATION FOR THE ISSUE OF THE BONDS, EXPRESSLY WAIVED AND RELEASED.

No owner or holder of any bond shall ever have the right to compel the exercise of the taxing power of the State, the Metropolitan Government or any other political subdivision of the State. No present or future officer, member, director, commissioner, employee or agent of the Issuer shall be personally liable on the Bonds.

The responsibility for the operation of the Project will rest entirely with the Borrower and not with the Issuer or any director of the Issuer.

**EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND “ABSENCE OF LITIGATION” (WITH RESPECT TO THE ISSUER), NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.**

## **THE BONDS**

### **Terms of Bonds Generally**

The Bonds shall mature on June 1, 2056\* (the “Maturity Date”). The Bonds are dated their date of delivery and shall bear interest at the Initial Interest Rate from their date of delivery, to but not including the Initial Mandatory Tender Date, payable on each Interest Payment Date, commencing January 1, 2027\*, and on each Mandatory Tender Date and each Redemption Date.

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

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

### **Limited Obligations**

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE STATE, THE METROPOLITAN GOVERNMENT, NOR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NEITHER THE BONDS NOR ANY OF THE ISSUER’S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE STATE, THE METROPOLITAN GOVERNMENT, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE), WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.

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\* Preliminary; subject to change.

## **Redemption of the Bonds**

Optional Redemption of Bonds. The Bonds are subject to optional redemption prior to their maturity, at direction of the Authorized Borrower Representative, either in whole or in part on any Business Day on or after the December 1, 2026\* (the “Optional Redemption Date”), at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, but without premium, to the date fixed for redemption.

Mandatory Redemption of Bonds. The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the Redemption Date, if any, on July 1, 2027\*, if the Mortgage Loan has not been obtained by the Borrower by such date in accordance with the Loan Agreement, and on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrower has not elected to request the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Bond Fund at 11:00 a.m. Eastern time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. 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 Negative Arbitrage Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Purchase in Lieu of Redemption. At the election of the Borrower upon a redemption in whole of the Bonds, by written notice to the Trustee and the Remarketing Agent given not less than five Business Days in advance of such redemption date, the Bonds will be deemed tendered for purchase in lieu of the redemption on such date and the call for redemption shall be cancelled. The purchase price of Bonds so purchased in lieu of redemption shall be the principal amount thereof together with all accrued and unpaid interest to the date of redemption and any prepayment fee, if due, and shall be payable on the date of redemption thereof. Bonds so purchased in lieu of redemption shall remain outstanding and shall be registered to or upon the direction of the Borrower.

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

If less than all of an Outstanding Bond of one maturity in a Book Entry System is to be called for redemption, the Trustee shall give notice to the Depository or the nominee of the Depository that is the Holder of such Bond, and the selection of the Beneficial Ownership Interests in that Bond to be redeemed shall be at the sole discretion of the Depository and its participants.

### **Notice of Redemption**

Unless waived by any Holder of Bonds to be redeemed, official notice of redemption will be given by the Trustee on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail, postage prepaid, return receipt requested, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, not less than 10 days nor more than 60 days prior to the date fixed for redemption. A second notice of redemption will be given, as soon as practicable, by registered or certified mail to the Holder of each Bond which has been so called for redemption (in

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\* Preliminary; subject to change.

whole or in part) but has not been presented and surrendered to the Trustee within 60 days following the date fixed for redemption of that Bond.

### **Mandatory Tender**

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

Mandatory Tender Dates. The Mandatory Tender Dates shall consist of (i) the Initial Mandatory Tender 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.

Holding of Tendered Bonds. 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 as if such Bonds had not been tendered for purchase.

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

Purchase of Tendered Bonds. 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 in the Remarketing Proceeds Account, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds tendered for purchase, (iii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest; if any, on Bonds tendered for purchase, (iv) amounts on deposit in the Project Fund to pay the accrued interest, if any, on the Bonds tendered for purchase and (v) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Undelivered Bonds. Bonds shall be deemed to have been tendered for purposes of the Indenture 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.

### **Notice of Mandatory Tender**

Notice to Holders. Not less than 10 days preceding a Mandatory Tender Date, the Trustee will give written notice of mandatory tender to the Holders of the Outstanding Bonds (with a copy to the Borrower, the Investor Limited Partner and the Remarketing Agent) by first class mail, postage prepaid, at their respective addresses appearing on the Register stating:

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

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

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

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

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

Failure to Give Notice. Neither failure to give or receive any notice described in this section, 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 section.

### **Book-Entry Only System**

*The following information on the Book-Entry System applicable to all Bonds has been supplied by DTC and neither the Issuer, the Borrower nor the Underwriter make any representation, warranties or guarantees with respect to its accuracy or completeness.*

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

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

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

interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Issuer. 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) the Revenues, including, without limitation, all Loan Payments, Eligible Funds and other amounts receivable by or on behalf of the Issuer under the Loan Agreement in respect of repayment of the Loan, (ii) the Special Funds, including all accounts in such Special Funds and all money deposited therein and the investment earnings on such money, (iii) all right, title and interest of the Issuer in the proceeds derived from the sale of the Bonds, and any securities in which money in the Special Funds are invested, and (except for money required to be rebated to the United States of America under the Code) the proceeds derived therefrom, and any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, (iv) the Note, except for the Reserved Rights, and (v) the Loan Agreement, except for the Reserved Rights (the foregoing collectively referred to as the "Trust Estate").

THE BONDS AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE STATE, THE METROPOLITAN GOVERNMENT, NOR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE) SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NEITHER THE BONDS NOR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS SHALL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE STATE, THE METROPOLITAN GOVERNMENT, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, THE METROPOLITAN GOVERNMENT OR THE ISSUER (EXCEPT TO THE LIMITED EXTENT PROVIDED IN THE INDENTURE), WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE ISSUER HAS NO TAXING POWER.

The Bonds and the interest thereon are limited obligations of the Borrower, payable solely from the trust estate pledged therefor under the Indenture. None of the Borrower's partners, nor any of their members, officers, directors or affiliates shall in any event be liable for the payment of the principal, interest or premium if any, on the Bonds, nor for the performance of any pledge, obligation or agreement whatsoever with respect thereto.

### **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 Bond Payment Date, however, it is expected that the Eligible Funds required to be deposited in the Collateral Fund and amounts on deposit in the Special Funds will be sufficient to pay such Bond Service Charges and such amounts will be a credit against the Borrower's payment obligations under the Loan Agreement and the Note.

### **Additional Bonds**

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

## PRIVATE PARTICIPANTS

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

### **The Borrower**

927 Skyline Ridge Drive, LP, a Tennessee limited partnership (the “Borrower”), is a single asset entity formed for the specific purpose of acquiring, owning, and operating the Project. The general partner of the Borrower is AHH 927 Skyline Ridge Drive GP, Inc., a Tennessee corporation (the “General Partner”). The sole shareholder of the General Partner is Appalachian Home & Health, Inc., a Tennessee nonprofit corporation. The General Partner and 927 Skyline Ridge Drive GP, LLC, a Tennessee limited liability company (the “Class B Limited Partner”), will own a 0.01% interest in the Borrower. TBD limited liability company (the “Investor Limited Partner”), or such other limited partner of the Borrower, will be the tax credit investor and own a 99.98% interest in the Borrower.

### **The Investor Limited Partner**

Within a few months of the issuance of the Bonds, the Investor Limited Partner will acquire a 99.98% ownership interest in the Borrower. In connection with such acquisition, the Investor Limited Partner is expected to fund approximately \$53,505,528\* of federal low-income housing tax credit equity (the “Tax Credit Equity”) to the Project, to be paid in stages during and after construction of the Project. These funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the estimates set forth herein and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

### **Limited Assets and Obligation of Borrower, General Partner and Investor Limited Partner**

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

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

### **The Developer**

The developer for the Project is The Clear Blue Company, LLC, a Tennessee limited liability company (the “Developer”), located in Nashville, Tennessee. The Developer was started in 2012 and has 13 years of experience in HUD subsidized properties and six years of experience in LIHTC development. The Developer owns 6,500 units across seven states. The leadership team consists of individuals with experience in low-income, market rate and other commercial real estate development.

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\* Preliminary; subject to change.

## **The Architect**

The architect for the Project is Southeast Venture Design (the “Architect”). The Architect is not an affiliate of the Developer. The Architect has been a licensed architect for 50 years and has been the principal architect for approximately 50 multifamily developments with an excess of 4,000 units across Tennessee.

## **The General Contractor**

The general contractor for the Project is Bacar Constructors, Inc. (the “General Contractor”). Bacar Constructors, Inc. is not an affiliate of the Developer. The General Contractor is a Tennessee-licensed contractor based in Nashville, Tennessee. Affiliated construction companies of the General Contractor have been constructing and rehabilitating multifamily rental housing developments since 1984. The General Contractor has constructed a total of 3,104 units since its formation.

## **The Property Manager**

The Borrower has entered into a Management Agreement with Elmington Property Management, LLC, a Tennessee limited liability company (the “Property Manager”), to engage the Property Manager to manage the day-to-day operations of the Project. The Property Manager is not an affiliate of the Developer. The Property Manager has over 11 years of experience managing affordable housing supported by various federal, state and local subsidies including HUD, tax-exempt obligations and federal low-income housing tax credits. The Property Manager presently manages approximately 24,000 housing units in Tennessee.

## **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 Skyline Heights, will be located at 927 Skyline Ridge Drive in Madison, Davidson County, Tennessee, on an approximately 21.00-acre site. The Project will contain 280 apartment units in nine residential buildings.

Common area features will include: a community building to include a community room, computer room, multiage playground, gazebo, a pool, and a camera video security system. Unit amenities include: range ovens with fire suppression systems (fire stop, auto stop, or comparable), washer/dryer hookups in all units, pre-wiring for high-speed internet (or wireless network), and use of anti-fungal roofing materials with a minimum 30-year warranty. The property will receive its EnergyStar Multifamily Certification upon completion. There will be approximately 462 parking spaces for resident use only.

The total cost of the Project is reflected in the table below. In addition to the net proceeds of the Bonds, upon the closing of the Mortgage Loan, the Borrower expects to issue Additional Bonds to refund the Bonds and to pay a portion of the costs of the Project.

It is anticipated that construction will commence promptly on or before the closing of the Mortgage Loan and funding of the initial installment of the Tax Credit Equity and will be completed in approximately 24 months\*.

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\* Preliminary, subject to change.

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
2 bedroom 2 bath	1,100	60
3 bedroom 2 bath	1,350	160
4 bedroom 2 bath	1,600	<u>60</u>
<b>TOTAL</b>		<b><u>280</u></b>

### Plan of Financing

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

<b>Sources of Funds*</b>	
Bond Proceeds <sup>1</sup>	\$21,171,000
Net Additional Bond Proceeds <sup>2</sup>	59,829,000
Federal Tax Credit Equity <sup>3</sup>	53,505,528
Deferred Developer Fee	10,738,344
Bond Reinvestment Income	6,125,000
Barnes Fund Loan	4,500,000
CITC Reinvestment Income	2,885,601
Interim Income	<u>1,787,365</u>
<b>Total</b>	<b><u>\$160,541,838</u></b>
<b>Uses of Funds*</b>	
Land & Construction Costs	\$5,925,000
Construction	79,382,399
Design Fees	1,220,000
Interim Construction Costs	3,168,531
Consultant Costs	390,970
Financing Fees	2,766,192
Bond Interest	5,250,000
Construction Loan Interest	5,372,228
Tax Credit and Bond Fees	1,313,521
Reserves	2,714,657
Developer Fee	26,537,340
Miscellaneous Costs	1,275,000
Partial Payment of Bond Principal	<u>25,226,000</u>
<b>Total</b>	<b><u>\$160,541,838</u></b>

<sup>1</sup> Bond Proceeds or refunding proceeds. It is anticipated that after the closing of the Mortgage Loan, the Bonds will be redeemed in whole with a portion of the proceeds of the Additional Bonds.

<sup>2</sup> Amount is net of the par amount of the Bonds, reflecting the anticipated redemption of the Bonds. It is anticipated that the Issuer will issue the Additional Bonds for the project upon the closing of the Mortgage Loan such that the aggregate total amount of bonds outstanding for the Project will be \$81,000,000. These Additional Bonds are not part of the offering contemplated herein and reference is included in this table for informational purposes only.

<sup>3</sup> A portion of the Tax Credit Equity is expected to be initially funded using the Bridge Loan, which will then be repaid with capital contributions from the Investor Limited Partner.

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\* Preliminary; subject to change.

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

*The Mortgage Loan.* The Project is anticipated to utilize a construction loan (the "Mortgage Loan"). The Mortgage Loan is expected to be in the original principal amount of up to approximately \$92,000,000\*. The obligation to repay the Mortgage Loan is expected to be set forth in a construction mortgage loan note (the "Mortgage Loan Note") from the Borrower to the Mortgage Lender. The Mortgage Loan Note is expected to be secured by a future advance leasehold deed of trust against the Project, an assignment of leases and rents in the Project, and an assignment of the Class B Limited Partner's and the General Partner's ownership interests in the Borrower and an assignment of equity capital contributions. The Mortgage Loan Note is expected to have a term of 36 months, with the right to one six-month extension, and is expected to bear interest at a variable rate approximately equal to the Prime Rate (the "Index" as further defined in the Mortgage Loan Note) minus 4.00% of interest per annum so long as the Borrower is participating in the Tennessee Housing Development Agency's Community Investment Tax Credit program, with principal and interest not otherwise paid, due at maturity. Proceeds of the Mortgage Loan are expected to 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 or Additional Bonds proceeds (inclusive of refunding proceeds) to be disbursed to pay Project Costs. No commitment has been issued by a Mortgage Lender for the Mortgage Loan. If the Borrower does not close on the Mortgage Loan by July 1, 2027\* (subject to extension as provided under the Indenture and Loan Agreement), the Bonds are subject to mandatory redemption as set forth herein under "THE BONDS—Redemption of the Bonds—Mandatory Redemption of Bonds."

*The Equity Bridge Loan.* The Borrower expects to obtain an equity bridge loan in the amount of up to \$15,000,000\* (the "Equity Bridge Loan") from JP Morgan Bank, a Delaware banking corporation, in its capacity as maker of the Equity Bridge Loan (the "Bridge Lender"). The obligation to repay the Equity Bridge Loan will be set forth in a bridge loan note (the "Bridge Note") from the Borrower to the Bridge Lender. From time to time, the Borrower will cause Eligible Funds, including proceeds of the Equity Bridge Loan, to be delivered to the Trustee for deposit into the Collateral Fund to enable the Trustee to release Bond Proceeds to pay costs of the Project. The Equity Bridge Loan will be secured by a future advance leasehold deed of trust against the Project, an assignment of leases and rents in the Project, an assignment of the Class B Limited Partner's and the General Partner's ownership interests in the Borrower and an assignment of equity capital contributions. The Bridge Note will have a term of 36 months, with the right to one six-month extension, and will bear interest at a variable rate approximately equal to the Prime Rate (the "Index" as defined in the Bridge Note) minus 4.00% per annum so long as the Borrower is participating in the Tennessee Housing Development Agency's Community Investment Tax Credit program, with principal and interest not otherwise paid, due at maturity. The closing of the Equity Bridge Loan is subject to the satisfaction of certain requirements and preconditions and does not extend to the benefit of any other third party, including the beneficial owners of the Bonds, the Issuer or the Trustee. No representations or assurances can be provided as to whether or not such conditions can or will be satisfied.

*The Low Income Housing Tax Credit Proceeds.* Contemporaneously with the issuance of the Bonds, the Investor Limited Partner expects to acquire a 99.98% ownership interest in the Borrower. In connection with such acquisition, the funding of the Tax Credit Equity will total approximately \$53,505,528\*. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

*Interim Income from Operations During Construction.* The Project will use 50% of underwritten income in the anticipated amount of \$1,787,365\* during lease up and prior to conversion as a source in the transaction.

*Deferred Developer Fee.* The Project will also utilize a deferred developer fee in the amount of \$10,738,344\* as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

*The Barnes Fund Loan.* The Project will also utilize a loan in the principal amount of \$4,500,000\* (the "Barnes Fund Loan"). The obligation to repay the Barnes Fund Loan will be set forth in a promissory note (the "Barnes

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\* Preliminary; subject to change.

Fund Note”) from the Borrower to Appalachian Home & Health, Inc., a Tennessee nonprofit corporation, and will be repayable out of cash flow and other non-Project sources on the terms and conditions set forth therein. The Barnes Fund Note will be unsecured. The Barnes Fund Note will have a term of 40 years and will bear interest at a rate of 0.00% per annum, with annual principal and interest not otherwise paid, due at maturity.

## **HAP Contract**

The Borrower will receive the benefit of a Section 8 Housing Assistance Payment Contract (the “HAP Contract”) covering 70 of the 280 units at the Project. As of the Closing Date, the HAP Contract will be assigned to the Borrower and will be renewed for an additional 15-year term in order to service debt during the term of the Bonds.

Funding under the HAP Contract is subject to annual Congressional appropriations, as more particularly described below. The Section 8 project-based housing assistance payment program (the “Section 8 Program”) is authorized by Section 8 of the United States Housing Act of 1937, as amended, and in the case of Section 8 contracts is administered by local public housing authorities. Renewals of Section 8 HAP contracts are governed by the Multifamily Assisted Housing Reform and Affordability Act of 1997, as amended (“MAHRA”). The Section 8 Program authorizes housing assistance payments to owners of qualified housing for the benefit of low-income families (defined generally as families whose incomes do not exceed 80% of the area median income (“AMI”) for the area as determined by HUD), and very low-income families (defined generally as families whose income do not exceed 50% of the AMI as determined by HUD). Section 8 housing assistance payments generally represent the difference between the “contract rent” for the unit approved by HUD and the eligible tenant’s contribution, which is generally 30% of income, as adjusted for family size and certain expenses, subject to a minimum rent contribution. The rents approved by HUD for the Project, as they may be adjusted from time to time with procedures set forth in MAHRA and the HAP Contract, are the “contract rents” for the Project. The HAP Contract will require the Borrower to maintain the Project in decent, safe and sanitary condition and to comply with other statutory and regulatory requirements governing the operation of the Project, use of project funds, and other matters. If the Borrower fails to comply with the terms of the HAP Contract, HUD or the contract administrator could seek to abate or terminate the payments under the HAP Contract or impose other sanctions. MAHRA requires that upon the request of the Borrower, HUD shall renew the HAP Contract under the Section 8 Program. However, because the HAP Contract is subject to receipt of annual appropriations by Congress, there is no assurance that the HAP Contract will be renewed or replaced upon its expiration. Funding for HAP contracts is appropriated by Congress on an annual basis, and there is no assurance that adequate funding will be appropriated each year during the term of the HAP Contract. Since payments received under the HAP Contract constitute a primary source of revenues for the Project, the expiration of the HAP Contract, or the failure of Congress to appropriate funds sufficient to fund the HAP Contract during each year of its term, would have a material adverse effect on the ability of the Project to generate revenues sufficient to pay the principal of and interest on the Bonds.

## **Project Regulation**

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

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement, the Project will be further encumbered by a Declaration of Land Use Restrictive Covenants for Low-Income Housing Tax Credits to be executed by the Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be allowed for 100% of the residential units in the Project for families. The Borrower is electing to use the average income test pursuant to Section 42(g)(3) of the Code. Section 42(g)(3) of the Code restricts the income levels of residential units in the Project (the “Tax Credit Units”) to specified imputed income limitations designated by the Borrower for such units based upon imputed income limitations at 20%, 30%, 40%, 50%, 60%, 70% or 80% of AMI, provided that the average of the imputed income limitations of all Tax Credit Units designated by the Borrower do

not exceed 60% of AMI. Rents charged for occupancy of Tax Credit Units will be restricted to not more than 30% of the imputed income limit for the unit by bedroom size as required by Section 42(g)(3) of the Code.

The Project will also be encumbered by a declaration of restrictive covenants for the benefit of The Metropolitan Government of Nashville and Davidson County, Tennessee requiring that 188 units in the Project be leased only to households with incomes at or between 31% and 60% of the area median income.

### **CERTAIN BONDHOLDERS' RISKS**

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

#### **General**

Payment of the Bond Service Charges, and the Borrower's obligations with respect to the Bond Service Charges, will be primarily secured by and payable from Bond proceeds held in the Project Fund and moneys deposited into the Collateral Fund and the Bond Fund, including the Negative Arbitrage Account held in the Bond Fund. Although the Borrower will execute the 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 Special Funds, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Project Fund and the Collateral Fund is at least equal to the then outstanding principal amount of the Bonds. It is expected that funds on deposit in the Collateral Fund and Negative Arbitrage Account of the Bond Fund will be sufficient to pay the debt service on the Bonds.

#### **Early Redemption of the Bonds**

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

#### **Limited Security for Bonds**

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

#### **Future Determination of Taxability of the Bonds**

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

#### **Issuer Limited Liability**

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

## **Enforceability of Remedies upon an Event of Default**

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

## **Secondary Markets and Prices**

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

## **Eligible Investments**

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

## **Rating Based on Eligible Investments**

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

## **Subordination to Mortgage Loan Documents**

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

## **Future Legislation; IRS Examination**

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

In recent years, the Internal Revenue Service (“IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America,

the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Project or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

### **Potential Impact of Pandemics or Public Health Crises**

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

### **Summary**

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

## **TAX MATTERS**

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

### **General**

In the opinion of Bond Counsel, under existing law and subject to certain qualifications described below, 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 during any period while a Bond is held by a “substantial user” of the facilities financed by the Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion of Bond Counsel is attached hereto at Appendix F.

The Code contains a number of requirements that apply to the Bonds, and the Issuer and the Borrower have made certain representations and have covenanted to comply with each such requirement. Bond Counsel’s opinion assumes the accuracy of the representations made by the Issuer and the Borrower and is subject to the condition that the Issuer and the Borrower comply with the above-referenced covenants. If the Issuer or the Borrower fails to comply with such covenants or if the Issuer’s or the Borrower’s representations are inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Bond Counsel is further of the opinion that, under existing law, the Bonds and the interest on the Bonds are exempt from all state, county and municipal taxation in the State of Tennessee, except to the extent that interest on the Bonds is included within the meaning of certain franchise and excise taxes imposed under Tennessee law.

Except as expressly stated herein, Bond Counsel expresses no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bonds (including purchase or sale at a premium or discount), or the amount,

accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

### **Post-Issuance Matters**

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 IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or the Borrower, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

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 Issuer or the Holders 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 Issuer, the Borrower and their appointed counsel, including the Holders, 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 bonds is difficult, obtaining an independent review of IRS positions with which the Issuer or the Borrower 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 an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Issuer or the Holders to incur significant expense.

Current and 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 otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such 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 advisors regarding any pending or proposed legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Certain requirements and procedures contained in or referred to in the Indenture, the Loan Agreement 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 effect on the exclusion from gross income for federal income tax purposes of interest on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Adams and Reese LLP.

### **UNDERWRITING**

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

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

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

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

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

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

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

## **RATING**

Moody's Investors Service, Inc., a Delaware corporation (the "Rating Agency"), has assigned to the Bonds the rating set forth on the cover page hereof. An explanation of the significance of such rating may be obtained from the Rating Agency. The rating of the Bonds reflects only the views of the Rating Agency at the time such rating was given, and neither the Issuer nor the Borrower nor the Underwriter makes any representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

## **UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE**

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

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

The Borrower 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 Adams and Reese LLP, Nashville, Tennessee, as Bond Counsel. Certain legal matters will be passed upon for the Borrower by its counsel, Reno & Cavanaugh PLLC, Nashville, Tennessee, 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**

On the date of issuance of the Bonds, the Issuer will deliver certificates to the effect that, to the knowledge of the Issuer, no litigation is pending or threatened against the Issuer (i) to restrain or enjoin the issuance of the Bonds, or contesting or questioning the validity of the Bonds or the proceedings and authority under which the Bonds have been authorized and are to be issued, or the pledge or application of any money or security provided for the payment of the Bonds or (ii) which questions the validity of the Indenture, the Loan Agreement, the Regulatory Agreement or the Bonds.

### **The Borrower**

On the date of issuance of the Bonds, the Borrower will deliver a certificate that there is no pending or, to the knowledge of the Borrower, any threatened litigation against the Borrower adversely affecting the power or authority of the Borrower to enter into the Financing Documents or that would materially adversely affect the Borrower's obligations under the Financing Documents.

## **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 Borrower from the date hereof.

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

[Remainder of page intentionally left blank]

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

**927 SKYLINE RIDGE DRIVE, LP,**  
a Tennessee limited partnership

By: AHH 927 Skyline Ridge Drive GP, Inc.,  
a Tennessee corporation,  
its General Partner

By: \_\_\_\_\_  
Robert B. Sharp  
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 Trustee.*

“Act” means Title 48, Chapter 101, Part 3 of the Tennessee Code Annotated, as now in effect and as from time to time hereafter amended or supplemented.

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

“Additional Bonds” means tax-exempt bonds anticipated to be issued by the Issuer upon the closing of the Mortgage Loan in an amount not to exceed \$60,000,000\*, as authorized in a bond resolution relating to the issuance and sale of the Additional Bonds to be adopted by the Governing Body and the Indenture anticipated to be entered into in connection with the refunding of the Bonds and the issuance of the Additional Bonds.

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

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

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

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

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

“Authorized Official” means the Chair, Vice Chair or Secretary of the Issuer and any other officer or employee of the Issuer designated by certificate of any of the foregoing as authorized by the Issuer to perform a specified act, sign a specified document or otherwise take action with respect to the Bonds. The Trustee may conclusively presume that a person designated in a written certificate filed with it as an Authorized Official is an

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\* Preliminary, subject to change.

Authorized Official until such time as such provider files with it a written certificate identifying a different person or persons to act in such capacity.

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

“Beneficial Owner” means with respect to the Bonds, the Person owning the Beneficial Ownership Interest therein, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the right to receive payments and notices with respect to the Bonds held in a Book-Entry System.

“Bond Counsel” means Adams and Reese LLP, or other counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes.

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

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

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated June \_\_\_, 2026, among the Underwriter, the Issuer and the Borrower.

“Bond Resolution” means the resolution relating to the issuance and sale of the Bonds, adopted by the Governing Body on June 8, 2026.

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

“Bonds” means the Multifamily Housing Revenue Bonds (Skyline Heights), Series 2026 of the Issuer authorized in the Bond Resolution and the Indenture in an amount not to exceed \$21,171,000\*.

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

“Borrower” means 927 Skyline Ridge Drive, LP, a Tennessee limited partnership.

“Borrower Documents” means the Financing Documents and the Mortgage Loan Documents to which the Borrower is a party.

“Business Day” means a day other than a Saturday or a Sunday, on which (a) banking institutions in the City of New York or in the city in which the principal office of the Trustee or the Remarketing Agent is located are not authorized or obligated by law or executive order to be closed, or (b) The New York Stock Exchange is not closed, and on which the United States Government makes payments of principal and interest on its Treasury obligations.

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\* Preliminary; subject to change.

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

“Chair” means the person serving as Chair of the Issuer.

“Closing Date” means June \_\_\_\_, 2026.

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

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

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of June 1, 2026, between the Borrower and the Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Controlling Holders” means in the case of consent or direction to be given under the Indenture, the Holders of the majority in aggregate principal amount of the Outstanding Bonds.

“Costs of Issuance” means the “issuance costs” with respect to the Bonds within the meaning of Section 147(g) of the Code.

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

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

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

“Determination of Taxability” means the receipt by the Trustee of (1) a copy of a final determination, from which no further right of appeal exists, that has been made by a court of competent jurisdiction in the United States of America in a proceeding with respect to which the Issuer and the Borrower have been given written notice and an opportunity to participate and defend, or (2) an Opinion of Bond Counsel, in either case to the effect that interest on the Bonds is not excludable for regular federal income tax purpose under Section 103(a) of the Code from gross income of any Holders of the Bonds (other than a Holder who is a substantial user of the Project or a related person as defined in the Code).

“Dissemination Agent” means U.S. Bank Trust Company, National Association, or any successor, as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means the fee payable to the Dissemination Agent as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement consisting of (i) a set-up and acceptance fee in the amount of \$0 payable at closing and (ii) an annual fee in the amount of \$750 payable at closing and on each June 1 thereafter, in an amount equal to \$750 per year; provided, however, the amount of the Dissemination Agent Fee payable under the Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible to pay the remaining amount of the Dissemination Agent Fee pursuant to the Loan Agreement.

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

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

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

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

(b) money received by the Trustee from the proceeds or advances of the Mortgage Loan and the Equity Bridge Loan;

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

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

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

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

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

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

(a) Government Obligations; and

(b) Shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation

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

“Equity Bridge Loan” means the equity bridge loan in the amount of up to \$15,000,000\* from the Equity Bridge Lender.

“Equity Bridge Lender” means JP Morgan Bank, a Delaware banking corporation, or other lending institution identified by the Borrower in writing to the Trustee and the Issuer as the Equity Bridge Lender, or their successors and assigns, as maker of the Equity Bridge Loan.

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

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

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

“Extraordinary Issuer Fees and Expenses” means the expenses and disbursements payable to the Issuer under the Indenture or the other Financing Documents for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by Bond Counsel and counsel to the Issuer which are to be paid by the Borrower pursuant to the Loan Agreement.

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

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

“Financing Documents” means the Indenture, the Bonds, the Loan Agreement, the Note, the Tax Agreement, the Regulatory Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Remarketing Agreement and any other instrument or document executed in connection with the Bonds, together with all modifications, extensions, renewals and replacements thereof, but excluding the Mortgage Loan Documents.

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

“Governing Body” means the Board of Directors of the Issuer or any governing body that succeeds to the functions of the Board of Directors of the Issuer.

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

“Government Obligations” means (i) noncallable, non-redeemable direct obligations of the United States of America for the full and timely payment of which the full faith and credit of the United States of America is pledged, and (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the full and timely payment of the principal of, premium, if any, and interest on which is fully guaranteed

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\* Preliminary, subject to change.

as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), which obligations, in either case, are not subject to redemption prior to maturity at less than par at the option of anyone other than the holder thereof.

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

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

“Indenture” means, collectively or individually, as the context requires, (i) the Trust Indenture, dated as of June 1, 2026, between the Issuer and the Trustee, pursuant to which the Bonds are initially issued, and (ii) the Trust Indenture anticipated to be entered into between the Issuer and the Trustee (or a successor or other trustee) in connection with the refunding of the Bonds and issuance of the Additional Bonds, in each case as amended or supplemented from time to time; provided that, unless the context otherwise requires, a reference to the “Indenture” shall be deemed a reference to each of the foregoing.

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

“Initial Interest Rate” means \_\_\_\_ %.

“Initial Mandatory Tender Date” means July 1, 2027\*.

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

“Interest Payment Date” means (a) January 1 and July 1 of each year beginning January 1, 2027\*, (b) each Redemption Date, and (c) each Mandatory Tender Date. In the case of payment of defaulted interest, “Interest Payment Date” also means the date of such payment established pursuant to the Indenture.

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

“Investor Limited Partner” means such future limited partner of the Borrower identified by the Borrower in writing to the Trustee and the Issuer as the Investor Limited Partner under the Indenture, and its respective successors and assigns.

“Issuer” means The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee, a public nonprofit corporation organized under the laws of the State, duly organized and validly existing under the laws of the State, and its successors and assigns.

“Issuer Documents” means the Financing Documents to which the Issuer is a party.

“Issuer Fees and Expenses” means, collectively, the Ordinary Issuer Fees and the Extraordinary Issuer Fees and Expenses.

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\* Preliminary, subject to change.

“Loan” means the loan by the Issuer to the Borrower of the proceeds received from the sale of the Bonds.

“Loan Agreement” means, collectively or individually, as the context requires, (i) the Loan Agreement, dated as of June 1, 2026, between the Issuer and the Borrower, and assigned by the Issuer, except for Reserved Rights, to the Trustee, and (ii) the Loan Agreement anticipated to be entered into between the Issuer and the Borrower in connection with the refunding of the Bonds and issuance of the Additional Bonds, and assigned by the Issuer, except for Reserved Rights, to the Trustee, in each case as amended or supplemented from time to time; provided that, unless the context otherwise requires, a reference to the "Loan Agreement" shall be deemed a reference to each of the foregoing.

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

“Local Time” means Central time (daylight or standard, as applicable) in Nashville, Tennessee.

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

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

“Maturity Date” means June 1, 2056\*.

“Metropolitan Government” means The Metropolitan Government of Nashville and Davidson County, Tennessee.

“Mortgage Lender” means the future lending institution identified by the Borrower in writing to the Trustee and the Issuer as the Mortgage Lender under the Indenture, or their successors and assigns.

“Mortgage Loan” means the future mortgage loan expected to be made from the Mortgage Lender to the Borrower in the expected principal amount of \$60,000,000\* with respect to the Project.

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

“National Housing Act” means the National Housing Act of 1937, as amended, and the applicable regulations thereunder.

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

“Note” means the promissory note of the Borrower, dated as of even date with the Bonds initially issued, in the form attached to the Loan Agreement as an exhibit and in the principal amount of up to \$21,171,000\*, evidencing the obligation of the Borrower to make Loan Payments.

“Opinion of Bond Counsel” means an opinion of Bond Counsel.

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

“Optional Redemption Date” means December 1, 2026\*.

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\* Preliminary; subject to change.

“Ordinary Issuer Fees” means \$0.

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

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, consisting of (i) a set-up and acceptance fee in the amount of \$1,500 payable at closing and (ii) an annual fee in the amount of \$4,750 payable at closing and on each June 1 thereafter; provided, however, the amount of Ordinary Trustee Fees and Expenses payable from funds held under the Indenture is limited to money withdrawn from the Expense Fund and the Borrower will be responsible for paying the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to the Loan Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid as provided in the Indenture or directly by the Borrower pursuant to the Loan Agreement.

“Organizational Documents” means the Limited Partnership Agreement of the Borrower dated July 29, 2025, as the same may be amended.

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

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

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

“Plans and Specifications” means the plans and specifications describing the Project as now prepared and as they may be changed as in the Loan Agreement.

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

“Project” means the construction and equipping of multifamily residential rental housing project to be known as Skyline Heights, consisting of approximately 280 units, and to be located at 927 Skyline Ridge Drive in Madison, Davidson County, Tennessee.

“Project Costs” means the costs of the Project specified in the Loan Agreement.

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

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

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

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

“Redemption Date” means any date in the Indenture on which Bonds are to be redeemed, including (a) the Maturity Date, (b) the date of acceleration of the Bonds and (c) pursuant the Indenture.

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

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

“Regulatory Agreement” means the Land Use Restriction Agreement as of June 1, 2026, among the Issuer, the Borrower, and the Trustee, which agreement will not be recorded until closing of the Mortgage Loan but is expected to be effective retroactively to the Closing Date and as it may thereafter be amended and supplemented from time to time in accordance with its terms.

“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 June 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 Outstanding Bonds 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 last day of the term for which Bonds are remarketed pursuant to the Indenture or the final Maturity Date of the Bonds, as applicable.

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

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

“Reserved Rights” of the Issuer means (a) the right of the Issuer to amounts payable to it pursuant to the Loan Agreement, (b) all rights which the Issuer or its members, commissioners, directors, officers, officials, agents or employees may have under the Indenture and the Financing Documents to indemnification by the Borrower and by any other persons and to payments for expenses incurred by the Issuer itself, or its members, commissioners, directors, officers, officials, agents or employees; (c) the right of the Issuer to receive notices, reports or other information, make determinations and grant approvals under the Indenture and under the other Financing Documents; (d) all rights of the Issuer to enforce the representations, warranties, covenants and agreements of the Borrower pertaining in any manner or way, directly or indirectly, to the requirements of the Act or of the Issuer, and set forth in any of the Financing Documents or in any other certificate or agreement executed by the Borrower; (e) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and (f) all enforcement remedies with respect to the foregoing.

“Revenues” means (a) the Loan Payments, (b) 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, (c) any money and investments in the Special Funds, and (d) all income and profit from the investment of the foregoing money. The term “Revenues” does not include any money or investments in the Rebate Fund.

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

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

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

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

“State” means the State of Tennessee.

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

“Tax Agreement” means the Tax Exemption Agreement, dated the Closing Date, executed and delivered by the Issuer and the Borrower.

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

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

“Trustee” means U.S. Bank Trust Company, National Association, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter, “Trustee” shall mean the successor Trustee.

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

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

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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 Trustee.*

#### **Creation of Funds**

There are established by the Indenture with the Trustee the following funds and accounts to be held in trust and maintained by the Trustee under the Indenture:

- (a) the Bond Fund, and therein the Negative Arbitrage Account and the Remarketing Proceeds Account (but only at such times as money is to be deposited or held in such Accounts as provided in the Indenture);
- (b) the Project Fund;
- (c) the Costs of Issuance Fund;
- (d) the Collateral Fund;
- (e) the Rebate Fund; and
- (f) the Expense Fund.

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

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

#### **Bond Fund**

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

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

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

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

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

### **Project Fund**

Upon the deposit of Eligible Funds in the Collateral Fund as provided in the Indenture, the Trustee shall disburse a corresponding amount of Bond proceeds on deposit in the Project Fund to, or at the written direction of, the Mortgage Lender, for use by Mortgage Lender to make a Mortgage Loan to the Borrower to pay Project Costs in accordance with the Loan Agreement. The Trustee shall disburse funds from the Project Fund in accordance with the Loan Agreement no later than one (1) Business Day after it receives the Eligible Funds but only if (i) the Trustee receives the fully-signed and completed disbursement request by at least 2:00 PM Local Time on the Business Day immediately prior to the Business Day on which the Trustee receives the Eligible Funds and (ii) the Trustee receives the Eligible Funds with respect to such disbursement request prior to 10:30 AM Local Time on such Business Day. If the Trustee receives Eligible Funds after 10:30 AM Local Time, the disbursement shall be made on the next succeeding Business Day. Notwithstanding any provisions to the contrary, upon satisfaction of the conditions set forth in the Loan Agreement, the Trustee shall be unconditionally and irrevocably obligated to disburse funds from the Project Fund to or at the written direction of the Mortgage Lender. The Trustee shall not disburse money from the Project Fund unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. In accordance with the Loan Agreement, and prior to making any disbursement, the Trustee shall determine that the aggregate account balance in (a) the Collateral Fund and (b) the Project Fund (less the amount to be disbursed in accordance with the Disbursement Request) is at least equal to the then-Outstanding principal amount of the Bonds; provided, however, to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is authorized by the Indenture to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund and (ii) transfer a like amount of Eligible Funds on deposit in the Collateral Fund to the Project Fund, in exchange for an allocation of a like amount of Eligible Investments held therein. Upon receipt of Eligible Funds from the Mortgage Lender if the Trustee is not prepared to immediately make the foregoing disbursement from the Project Fund to the Mortgage Lender the Trustee shall return such Eligible Funds to the Mortgage Lender as applicable.

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

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

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

### **Collateral Fund**

The Trustee shall deposit in 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 the Mortgage Lender as applicable, to deposit Eligible Funds with the Trustee for

deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to pay Project Costs.

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

The Trustee shall transfer money in the Collateral Fund as follows: (i) on the Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent amounts on deposit in the Remarketing Proceeds Account and the Negative Arbitrage Account of the Bond Fund are insufficient therefor; and (ii) on any Redemption Date or the Maturity Date of the Bonds, to the Bond Fund the amount, together with amounts on deposit in the Bond Fund, necessary to pay the principal and interest due on the Bonds on such date.

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

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bonds may be transferred to the Project Fund and used to pay Project Costs as provided in the Loan Agreement.

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

#### **Investment of Special Funds and Rebate Fund**

Except as otherwise set forth in this Section, moneys in the Special Funds and the Rebate Fund shall be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Authorized Borrower Representative. At no time shall the Authorized Borrower Representative direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Each investment of moneys in a Project Fund shall mature or be redeemable without penalty at such time as may be necessary to make payments from the Project Fund, including on each Interest Payment Date. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an authenticating agent or a paying agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Special Funds to produce sufficient moneys applicable under the Indenture to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. An investment made from moneys credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund shall be credited to the Negative Arbitrage Account of the Bond Fund. All investment earnings from amounts on deposit in the Collateral Fund shall be credited to the Negative Arbitrage Account of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Special Funds shall be credited to and become part of the Fund from which the investment was made. Notwithstanding the foregoing, any moneys held under the Indenture without the written direction of the Authorized Borrower Representative shall be invested in Eligible Investments. 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 an optional redemption prior to the Initial 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. Following the Closing Date, at the direction of the Borrower, the Trustee is permitted to purchase, sell or exchange Eligible Investments with a Cash Flow Projection. Notwithstanding anything herein 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 deposit of Eligible Funds to the Negative Arbitrage Account pursuant to the Indenture shall be held uninvested until the Trustee has purchased, sold or exchanged Eligible Investments.

## **Defaults; Events of Default**

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

- (a) Payment of any interest on any Bond shall not be made when and as that interest shall become due and payable;
- (b) Payment of the principal of any Bond shall not be made when and as that principal shall become due and payable, whether at stated maturity, upon acceleration or otherwise;
- (c) Failure by the Issuer to observe or perform any other covenant, agreement or obligation on its part to be observed or performed contained in the Indenture or in the Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Borrower, and the Investor Limited Partner specifying the failure and requiring that it be remedied, which notice shall be given by the Trustee at the written request of the Holders of not less than 50% in aggregate principal amount of Outstanding Bonds; and
- (d) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

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

The Trustee and the Issuer agree that notwithstanding the provisions of the Indenture, no default under the terms of the Indenture shall constitute or be construed as resulting in a default under the Mortgage Loan Documents unless such event also constitutes a default thereunder.

## **Acceleration**

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

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

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

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

### **Other Remedies; Rights of Holders**

With or without taking action under the section “Acceleration” above, upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy, including without limitation actions at law or equity to enforce the payment of Bond Service Charges or the observance and performance of any other covenant, agreement or obligation under the Indenture, the Loan Agreement, the Regulatory Agreement or the Note or any other instrument providing security, directly or indirectly, for the Bonds.

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do in writing by the Holders of at least 50% in aggregate principal amount of Outstanding Bonds, the Trustee (subject to the provisions of the Indenture), shall exercise any rights and powers conferred by the Indenture.

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

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

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

As the assignee of all right, title and interest of the Issuer in and to the Loan Agreement (except for the Reserved Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Issuer under the Loan Agreement. In exercising any remedy, right or power under the Loan Agreement or under the Indenture, the Trustee shall take any action which would best serve the interests of the Holders in the judgment of the Trustee, applying the standards described in the Indenture, subject to the provisions of the first paragraph of this section.

### **Rights of Holders to Direct Proceedings**

Anything to the contrary in the Indenture notwithstanding, the Holders of a majority in aggregate principal amount of Outstanding Bonds shall have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings under the Indenture; provided, that (a) any direction shall not be other than in accordance with the provisions of law and of the Indenture, (b) the Trustee shall be indemnified as provided in the Indenture, and (c) the Trustee may take any other action which it deems to be proper and which is not inconsistent with the direction.

### **Application of Money**

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

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

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

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

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

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

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

### **Remedies Vested in Trustee**

All rights of action (including without limitation, the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining any Holders as plaintiffs or defendants. Any recovery of judgment shall be for the benefit of the Holders of the Outstanding Bonds, subject to the provisions of the Indenture.

## **Rights and Remedies of Holders**

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

- (a) there has occurred and is continuing an Event of Default of which the Trustee has been notified, as provided in the Indenture, or of which it is deemed to have notice under that paragraph,
- (b) the Holders of at least 50% in aggregate principal amount of Outstanding Bonds shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to proceed to exercise the remedies, rights and powers granted in the Indenture or to institute the suit, action or proceeding in its own name, and shall have offered indemnity to the Trustee as provided in the Indenture, and
- (c) the Trustee thereafter shall have failed or refused to exercise the remedies, rights and powers granted herein or to institute the suit, action or proceeding in its own name.

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

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

## **Termination of Proceedings**

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

## **Waivers of Events of Default**

Except as provided below, at any time, in its discretion, the Trustee may waive any Event of Default under the Indenture and its consequences and may rescind and annul any declaration of maturity of principal of or interest on, the Bonds. The Trustee shall do so upon the written request of the Holders of:

- (a) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which an Event of Default in the payment of Bond Service Charges exists, or
- (b) at least 50% in aggregate principal amount of all Outstanding Bonds, in the case of any other Event of Default.

There shall not be so waived, however, any Event of Default described in paragraph (a) or (b) under the heading "Defaults; Events of Default" above, or any declaration of acceleration in connection therewith rescinded or annulled, unless at the time of that waiver or rescission and annulment, payments of the amounts described under the heading "Acceleration" above for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the Issuer, the Trustee and the Holders shall be restored to their former

positions and rights under the Indenture, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

### **Supplemental Indentures Not Requiring Consent of Holders**

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

- (a) To cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To assign additional revenues under the Indenture;
- (d) To accept additional security and instruments and documents of further assurance with respect to the Project;
- (e) To add to the covenants, agreements and obligations of the Issuer under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Issuer in the Indenture;
- (f) To evidence any succession to the Issuer and the assumption by its successor of the covenants, agreements and obligations of the Issuer under the Indenture, the Loan Agreement and the Bonds;
- (g) To facilitate (i) the transfer of Bonds issued by the Issuer under the Indenture and held in Book Entry Form from one Depository to another and the succession of Depositories, or (ii) the withdrawal of Bonds issued by the Issuer under the Indenture and delivered to a Depository for use in a Book Entry System and the issuance of replacement Bonds in fully registered form and in the form of physical certificates to others than a Depository;
- (h) To permit the Trustee to comply with any obligations imposed upon it by law;
- (i) To specify further the duties and responsibilities of the Trustee;
- (j) To achieve compliance of the Indenture with any applicable federal securities or tax law;
- (k) To make amendments to the provisions hereof relating to arbitrage matters under Section 148 of the Code, if, in the Opinion of Bond Counsel, those amendments would not adversely affect the Federal Tax Status of the Bonds which amendments may, among other things, change the responsibility for making the relevant calculations, provided that in no event shall such amendment delegate to the Trustee, without its consent, in its sole discretion the obligation to make or perform the calculations required under Section 148 of the Code; and
- (l) To permit any other amendment which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders.

The provisions of subsections (h) and (j) above shall not be deemed to constitute a waiver by the Trustee, the Issuer or any Holder of any right which it may have in the absence of those provisions to contest the application of any change in law to the Indenture or the Bonds.

## Supplemental Indentures Requiring Consent of Holders

Exclusive of Supplemental Indentures to which reference is made above and subject to the terms, provisions and limitations contained in this section, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in the Indenture, and with the consent of the Borrower if required by the Indenture, the Issuer and the Trustee may execute and deliver Supplemental Indentures adding any provisions to, changing in any manner or eliminating any of the provisions of the Indenture or any Supplemental Indenture or restricting in any manner the rights of the Holders. Nothing in the Indenture shall permit, however, or be construed as permitting:

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

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

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

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

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

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

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

## **Consent of Borrower**

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

## **Opinion of Counsel**

Before the Trustee shall enter into any Supplemental Indenture, there shall have been delivered to the Trustee an Opinion of Counsel to the effect that (a) any proposed Supplemental Indenture complies with the provisions of the Indenture, and (b) it is proper for the Trustee to join in the execution of that Supplemental Indenture under the provisions of the Indenture.

## **Release of Indenture**

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

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

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

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

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

## **Payment and Discharge of Bonds**

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

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

(b) the Trustee shall have received (i) in trust for and irrevocably committed thereto, noncallable Government Obligations; (ii) certification by an Independent public accounting firm of national reputation to the effect that the Government Obligations have such maturities or redemption dates and interest payment dates, and bear such interest, as will be sufficient together with any money to which reference is made in subparagraph (a) above, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which earnings are to be held likewise in trust and so committed, except as provided herein), for the payment of all Bond Service Charges on those Bonds at their maturity; and (iii) an Opinion of Bond Counsel to the effect that the conditions of this section have been satisfied.

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

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

#### **Survival of Certain Provisions**

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

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## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE 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.*

#### **The Loan**

The Issuer agrees, upon the terms and conditions in the Loan Agreement, to make the Loan to the Borrower with the proceeds received by the Issuer from the sale of the Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to finance the Loan shall be deemed fully discharged, and the principal amount of the Bonds shall be deemed fully advanced to the Borrower under the Note, upon the deposit of the proceeds of the Bonds with the Trustee. The Loan shall be evidenced by the Note payable to the Issuer and endorsed to the Trustee.

#### **Mortgage Loan to Borrower**

To provide and secure funds for the repayment of the Loan, and to provide for the delivery of the Eligible Funds, the Borrower shall on or before the date set forth in the Loan Agreement, obtain the Mortgage Loan from the Mortgage Lender and enter into the Regulatory Agreement, which will be effective as of the date of the Loan Agreement.

The Borrower represents that the Mortgage Loan will be in a maximum original principal amount necessary, together with other Eligible Funds identified in subsection (b) of the definition of “Eligible Funds” in the Indenture, to fully secure the outstanding principal amount of the Loan. The Mortgage Loan will be secured on a non-recourse basis pursuant to the Mortgage Loan Documents.

The Borrower will cause the deposit of Eligible Funds in the amount of the Loan with the Trustee into the Collateral Fund to enable the Trustee to disburse an equal amount of Bond proceeds from the Project Fund in connection with a completed and fully executed Disbursement Request in the form attached as an exhibit to the Loan Agreement. Any Bond proceeds disbursed in connection with a disbursement of the proceeds of the Mortgage Loan will be transferred to the Mortgage Lender to make a Mortgage Loan advance to the Borrower to pay approved mortgageable costs.

#### **Disbursements from the Project Fund**

Subject to the provisions below, disbursements from the Project Fund shall be made only to pay any of the following Project Costs:

- (a) Costs incurred directly or indirectly for or in connection with the acquisition, construction, improvement and equipping of the Project, including costs incurred in respect of the Project for preliminary planning and studies; architectural, legal, engineering, accounting, consulting, supervisory and other services; labor, services and materials; and recording of documents and title work.
- (b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Project.
- (c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction period.
- (d) Costs incurred directly or indirectly in seeking to enforce any remedy against any contractor or subcontractor in respect of any actual or claimed default under any contract relating to the Project.

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

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

(g) Payment of interest on the Bonds.

(h) Payments to the Rebate Fund.

Disbursements from the Project Fund for the payment of Project Costs shall be made by the Trustee only to, or at the direction of, the Mortgage Lender, or if prior to the closing of the Mortgage Loan, at the direction of the Borrower, upon satisfaction of all of the following conditions:

(i) The receipt by the Trustee of notice and instruction of a completed disbursement request (a "Disbursement Request") in the form attached as an exhibit to the Loan Agreement, signed by an Authorized Borrower Representative and providing the amount of the disbursement request (a "Disbursement Amount") and the expected date of disbursement (a "Disbursement Date").

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

(iii) Upon receipt of confirmation from the Trustee of the matters described in clause (ii) above and on or before the expected Disbursement Date, the Mortgage Lender will transfer to the Trustee, or if prior to the closing of the Mortgage Loan, the Borrower shall cause to be transferred to the Trustee, by immediately available funds, the Eligible Funds equal to the Disbursement Amount, in the case of a transfer from the Mortgage Lender.

(iv) Upon receipt by the Trustee from the Mortgage Lender of the Eligible Funds in an amount equal to the Disbursement Amount, such Eligible Funds shall be deposited in the Collateral Fund as provided in the Loan Agreement. In the event that the amount of the Eligible Funds received by the Trustee does not equal the amount of the Disbursement Request, the Trustee shall promptly return such Eligible Funds to the Mortgage Lender. In the event that the Trustee is not prepared to immediately disburse funds from the Project Fund in accordance with the Disbursement Request, it shall return the Eligible Funds to the party that deposited it with the Trustee.

(v) Upon satisfaction of the conditions set forth in clauses (i) through (iv) above, the Trustee shall be unconditionally and irrevocably obligated to disburse funds from the Project Fund in accordance with the Disbursement Request. The Trustee shall disburse funds from the Project Fund in accordance with the instructions contained in the Disbursement Request (A) no later than one (1) Business Day after it receives the Eligible Funds in the event the Trustee receives the Eligible Funds with respect to such Disbursement Request prior to 10:30 AM Local Time on such Business

Day or (B) on the next succeeding Business Day if the Trustee receives the Eligible Funds after 10:30 AM Local Time.

The Borrower acknowledges and agrees by the Loan Agreement that it shall submit Disbursement Requests to the Trustee no more frequently than once each calendar month and that it shall, simultaneously with the submission of each Disbursement Request to the Trustee, provide a copy of such request to the Mortgage Lender. Each such Disbursement Request shall be consecutively numbered. Proceeds of the Bonds disbursed pursuant to the provisions of this Agreement may only be used to pay those Project Costs identified in the Sources and Uses of Funds attached as an exhibit to the Loan Agreement, as it may be amended pursuant to the agreement of the Mortgage Lender and the Borrower.

The Borrower's right to request disbursements for the Project Fund is limited to the principal amount of the Loan and premium, if any.

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

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

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

#### **Borrower Required to Pay Costs in Event Project Fund Insufficient**

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

#### **Completion Date**

The Borrower shall notify the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form attached as an exhibit to the Loan Agreement. The Completion Certificate shall be delivered as promptly as practicable after the occurrence of the events and conditions referred to in paragraphs (a), (b), and (d) of the Completion Certificate and an accountant's determination has been made that the representation in the Loan Agreement is true and correct.

#### **Loan Repayment; Delivery of Note**

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

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

To evidence the Borrower's obligations under the Loan Agreement, the Borrower shall execute and deliver the Note concurrently with the issuance and delivery of the Bonds.

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

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

### **Eligible Funds**

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to pay Project Costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall direct the Mortgage Lender to deliver or cause to be delivered to the Trustee on or before each such disbursement Eligible Funds equal to the amount of the proposed disbursement from the Project Fund. All such amounts shall be paid to the Trustee for the benefit of the Holders and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture. Upon receipt of Eligible Funds and satisfaction of the other conditions set forth in the Loan Agreement, the Trustee shall be unconditionally and irrevocably obligated to disburse an equal amount of funds in the Project Fund to, or at the direction of, the Mortgage Lender, or if prior to the closing of the Mortgage Loan, at the direction of the Borrower, as provided in the Loan Agreement. In no event may funds held in the Collateral Fund be used to pay Project Costs.

### **Optional Prepayment**

Provided no Event of Default shall have occurred and be continuing, at any time and from time to time, the Borrower may deliver money to the Trustee in addition to Loan Payments or Additional Payments required to be made as a prepayment, in whole or in part, of the Loan and direct the Trustee to use the money so delivered for the purpose of purchasing Bonds, in accordance with the Indenture. Pending application for those purposes, any money so delivered shall be held by the Trustee in a special account in the Bond Fund and delivery of such money shall not operate to abate or postpone Loan Payments or Additional Payments otherwise becoming due or to alter or suspend any other obligations of the Borrower under the Loan Agreement.

### **Borrower's Obligations Upon Tender of Bonds**

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

## Option to Terminate

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

## Events of Default

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

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

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

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

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

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

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

The term Force Majeure shall mean, without limitation, the following:

- (1) acts of God; strikes, lockouts or other industrial disturbances; acts of terrorism or of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; tornados; storms; droughts; floods; arrests; restraint of government and people; explosions; breakage, malfunction or accident to facilities, machinery, transmission pipes or canals; partial or entire failure of utilities; shortages of labor, materials, supplies or transportation; or
- (2) any cause, circumstance or event not reasonably within the control of the Borrower.

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

### **Remedies on Default**

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

- (a) If acceleration of the principal amount of the Bonds has been declared pursuant to the Indenture, the Trustee shall declare all Loan Payments to be due and payable together with any other amounts payable by the Borrower under the Loan Agreement and the Note whereupon the same shall become immediately due and payable;
- (b) The Trustee may exercise any or all or any combination of the remedies specified in the Loan Agreement or any other Financing Document;
- (c) The Issuer or the Trustee may have access to, inspect, examine and make copies of the books, records, accounts and financial data of the Borrower pertaining to the Project; or
- (d) The Issuer or the Trustee may pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Loan Agreement and the Regulatory Agreement and the Note or to enforce the performance and observance of any other obligation or agreement of the Borrower under those instruments.

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

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

**No Remedy Exclusive**

No remedy conferred upon or reserved to the Issuer or the Trustee by the Loan Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Loan Agreement, the Regulatory Agreement or the Note, or now or hereafter existing at law, 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 or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Trustee to exercise any remedy reserved to it in the Loan Agreement, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in the Loan Agreement.

**No Waiver**

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

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## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT

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

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

#### **Residential Rental Property**

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

(a) The Project has been developed for the purpose of providing multifamily residential rental property, and the Borrower owns, manages and operates the Project and will continue to operate the Project as a project to provide multifamily residential rental property comprising a building or structure or several interrelated buildings or structures, together with any Functionally Related and Subordinate facilities, and no other facilities in accordance with Section 142(d) of the Code and Section 1.103-8(b) of the Regulations and the Act, as the same shall be amended from time to time, and in accordance with such requirements as may be imposed by the Regulatory Agreement on the Project from time to time.

(b) All of the Dwelling Units in the Project are similarly constructed units, and each Dwelling Unit in the Project will be separate and distinct from every other Dwelling Unit and contains complete facilities for living, sleeping, eating, cooking and sanitation for a single person or a family, including a sleeping area, bathing and sanitation facilities and cooking facilities equipped with a cooking range (or a multiple-burner cooktop and a convection microwave oven), a sink and a refrigerator.

(c) None of the Dwelling Units in the Project will at any time be utilized on a transient basis; none of the Dwelling Units in the Project have been or will be leased or rented for a period of less than six months; and neither the Project nor any portion thereof have been or will be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer park, trailer court, mobile home park, or recreational vehicle park or by a cooperative housing corporation (as defined in section 216(b)(1) of the Code).

(d) No part of the Project will at any time be owned by a cooperative housing corporation, nor shall the Borrower take any steps in connection with a conversion to such ownership or uses.

(e) Each Dwelling Unit will be available for rental on a continuous basis to members of the general public on a nontransient basis, and the Borrower has not and will not give preference to any particular class or group in renting the Dwelling Units in the Project, except to the extent that Dwelling Units are required to be leased or rented to Low Income Tenants.

(f) The Project Site consists of a parcel or parcels that are contiguous except for the interposition of a road, street or stream, and all of the Project Facilities comprise a single geographically and functionally integrated project for residential rental property, which have similarly constructed units financed pursuant to a common plan, together with Functionally Related and Subordinate facilities which shall be owned (for federal tax purposes) by the Borrower or a Related Person as evidenced by the ownership, management, accounting and operation of the Project.

(g) No dwelling unit in the Project shall be occupied by the Borrower; provided, however, that if the Project contains five or more Dwelling Units, this subsection shall not be construed to prohibit occupancy of not more than one dwelling unit by one or more resident managers or maintenance personnel any of whom may be the Borrower.

(h) The Borrower shall not discriminate on the basis of race, religion, creed, color, ethnic group identification, sex, source of income (e.g., AFDC, SSI), mental or physical disability, national origin or marital status in the rental, lease, use or occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project.

(i) The Borrower will accept as tenants, on the same basis as all other prospective tenants, persons who are holders of vouchers or certificates for federal housing assistance payments for existing housing pursuant to Section 8 of the Housing Act ("Section 8") or a successor federal program, and, in connection therewith, the Borrower has not and will not apply tenant selection criteria to such voucher or certificate holders which are more burdensome than the criteria applied to any other prospective tenants.

(j) The Borrower will not discriminate against prospective tenants on the basis of their receipt of, or eligibility for, housing assistance under any federal, state or local program or on the basis that they have a minor child or children living with them.

### **Low Income Tenants; Records and Reports**

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

(a) The Borrower will rent on a continuous basis to Low Income Tenants at least 40% of the Available Units in the Project; provided, however, that, as provided in Section 142(d)(3)(B) of the Code, any Available Unit occupied by a Low Income Tenant at the commencement of occupancy shall continue to be treated as if occupied by a Low Income Tenant during tenancy of such Available Unit by such Low Income Tenant even though such Low Income Tenant may subsequently cease to be a Low Income Tenant, so long as the Adjusted Income of such Low Income Tenant as of the most recent certification pursuant to subsection (c) below does not exceed 140% of the Applicable Income Limit as of such certification. In the event that the Adjusted Income of a Low Income Tenant shall exceed 140% of such Applicable Income Limit, if (treating such tenant as if it were not a Low Income Tenant) less than 40% of the Available Units in the Project are occupied by Low Income Tenants, the Borrower shall rent the next Available Unit in the Project of comparable or smaller size to a Low Income Tenant (provided, however, that any Available Unit in the Project of a larger size may be rented to a tenant who is not a Low Income Tenant if such Available Unit was previously occupied by such a tenant) and, upon renting such Available Unit to such Low Income Tenant, the Borrower shall make a new certification pursuant to subsection (c). In addition, any Available Unit vacated by a Low Income Tenant shall be treated as being occupied by such vacating Low Income Tenant until reoccupied by another tenant (other than occupancy for 31 days or less) at which time the character of the Available Unit shall be redetermined, provided that reasonable attempts are made to rent the Available Unit and no other Available Units of comparable or smaller size in the Project are rented to a tenant who is not a Low Income Tenant before such Available Unit is rented. Notwithstanding the foregoing, unless more than 90 percent of the Units in the Project are not Available Units at any time within 60 days after the later of (i) the date the Project is acquired by the Borrower or (ii) the issue date of the Bonds, for a period of 12 months beginning on the issue date of the Bonds (the "Transition Period"), the failure to satisfy the requirements described above will not cause the Project to not be a qualified residential rental project (as defined in the Code), provided, in any event, the Borrower shall satisfy the Low Income Tenant requirements described above no later than the end of such Transition Period.

(b) The Borrower will obtain, complete, and maintain on file Income Certifications (substantially in the form attached to the Regulatory Agreement as an exhibit) from each Low Income Tenant, including (i) an Income Certification dated immediately prior to the initial occupancy of such Low Income Tenant in the Project and (ii) thereafter, annual Income Certifications which must be filed no later than each June 1. The Borrower will obtain such additional information as may be required in the future by the Issuer and by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form

and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or thereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are Tax-exempt under Section 142(d) of the Code. A rent roll showing the Low Income Tenants in the Project, their most recent certified incomes and their unit numbers together with, if requested by the Trustee, a copy of the most recent Income Certification for Low Income Tenants commencing or continuing occupation of a Low and Moderate Income Unit (and not previously filed with the Trustee) shall be attached to the Certificate of Continuing Compliance which is to be filed with the Trustee no later than the fifteenth day of the first month of each calendar quarter following the date of the Regulatory Agreement, until the end of the Qualified Project Period. The Borrower shall make a good faith effort to verify that the income information provided by an applicant in an Income Certification is accurate by taking one or more of the following steps as part of the verification process: (1) obtain a pay stub for the most recent pay period, (2) obtain an income tax return for the two most recent tax years, (3) conduct a TRW or similar search, or (4) contact the applicant's current employer.

(c) The Borrower will maintain complete and accurate records pertaining to the Low Income Units and will with reasonable notice permit any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the Project, including those records pertaining to the occupancy of the Low Income Units.

(d) On or before each March 15 during the Qualified Project Period, the Borrower has and will submit to the Trustee a draft of the completed Internal Revenue Code Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the Project continues to meet the requirements of Section 142(d) of the Code. On or before each March 31 during the Qualified Project Period, the Borrower will submit such completed form to the Secretary of the Treasury, with a copy to the Trustee.

(e) Each lease or rental agreement pertaining to a Low Income Unit shall contain a provision to the effect that the Borrower has relied on the income certification and supporting information supplied by the Low Income Tenant in determining qualification for occupancy of the Low Income Unit, and that any material misstatement in such certification (whether or not intentional) will be cause for immediate termination of such lease or rental agreement. Each such lease or rental agreement shall also provide that the tenant's income is subject to annual certification in accordance with the Regulatory Agreement and to recertification if the number of occupants in the units increases.

(f) At the request of the Borrower, the Issuer elects that the requirements of subparagraph (B) of Section 142(d)(1) of the Code (the "40-60 Test") be applied to the Project.

### **Sale or Transfer of the Project**

Except for a transfer of the Project pursuant to a foreclosure or a deed in lieu of foreclosure or a similar event where the Regulatory Agreement terminates pursuant to the provisions thereof, except in connection with transfers of Investor Limited Partner interests, removal or replacement of the General Partner of the Borrower pursuant to the Borrower's Amended and Restated Limited Partnership Agreement, and/or the pledge of the Borrower's General Partner interest to the Mortgage Lender, the Borrower covenants and agrees that the Borrower will cause or require as a condition precedent to any conveyance, transfer, assignment or any other disposition of the Project prior to the termination of the Qualified Project Period provided in the Regulatory Agreement (the "Transfer") that the transferee of the Project, pursuant to the Transfer, assume in writing, in a form acceptable to the Issuer and the Trustee, all duties and obligations of the Borrower under the Regulatory Agreement, including this section in the event of a subsequent Transfer by the transferee prior to expiration of the Qualified Project Period provided in the Regulatory Agreement (the "Assumption Agreement"). The Borrower shall deliver the Assumption Agreement to the Issuer prior to the Transfer. No Transfer shall operate to release the Borrower from its obligations under the Regulatory Agreement, arising before the date of the Transfer.

## **Term**

The Regulatory Agreement and all and each of the provisions thereof shall become effective upon its execution and delivery, and shall remain in full force and effect for the periods provided therein and, except as otherwise provided in this section, shall terminate in its entirety at the end of the Qualified Project Period, it being expressly agreed and understood that the provisions thereof are intended to survive the retirement of the Bonds, discharge of the Issuer Loan and termination of the Indenture and the Loan Agreement.

Notwithstanding the foregoing, the indemnification provisions of the Regulatory Agreement shall, in the case of the Trustee, survive the term of the Regulatory Agreement or the replacement of the Trustee, but only as to claims arising from events occurring during the term of the Regulatory Agreement or the Trustee's tenure as Trustee under the Indenture, and shall, in the case of the Issuer, survive the term of the Regulatory Agreement, but only as to claims arising from events occurring during the term of the Regulatory Agreement.

The terms of the Regulatory Agreement to the contrary notwithstanding, the requirements set forth therein shall terminate and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire, seizure, requisition, foreclosure or transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal agency after the Closing Date which prevents the Issuer or the Trustee from enforcing the provisions thereof, or condemnation or a similar event, but only if, within a reasonable period thereafter, either the portion of the Bonds attributable to the Project is retired or amounts received as a consequence of such event are used to provide a project which meets the requirements of the Code set forth in the Regulatory Agreement. The provisions of the preceding sentence shall cease to apply and the requirements referred to therein shall be reinstated if, at any time during the Qualified Project Period after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any related person (within the meaning of Section 147(a)(2) of the Code) obtains an ownership interest in the Project for tax purposes; provided, however, that any reinstatement of such provisions shall only be in effect during any period of time such Borrower or related person holds such ownership interest. The Borrower agrees that, following any foreclosure, transfer of title by deed in lieu of foreclosure or similar event, neither the Borrower nor any related person as described above (other than a limited partner of the Borrower or any related person (within the meaning of Section 147(a)(2) of the Code) to such limited partner that is otherwise subject to the immediately preceding sentence) will obtain an ownership interest in the Project for tax purposes.

Upon the termination of the terms of the Regulatory Agreement, the parties thereto agree to execute, deliver and record appropriate instruments of release and discharge of the terms thereof (which shall be prepared, completed and recorded at the expense of the Borrower); provided, however, that the execution and delivery of such instruments shall not be necessary or a prerequisite to the termination of the Regulatory Agreement in accordance with its terms.

## **Covenants to Run with the Land**

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

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

## **Default; Enforcement**

If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured for a period of 30 days after written notice thereof shall have been given by the Issuer or the Trustee to the Borrower, then the Trustee shall declare an “Event of Default” to have occurred thereunder provided, however, that if the default stated in the notice is of such a nature that it cannot be corrected within 30 days, such default shall not constitute an Event of Default thereunder so long as (i) the Borrower institutes corrective action within said 30 days and diligently pursues such action until the default is corrected, and (ii) in the opinion of Bond Counsel, the failure to cure said default within 30 days will not adversely affect the Tax-exempt status of interest on the Bonds.

The Issuer and the Trustee each agree that the Investor Limited Partner may act to cure any default under the Regulatory Agreement and that they shall accept such cure as though made by the Borrower.

Following the declaration of an Event of Default under the Regulatory Agreement, the Trustee may, at its option and subject to the provisions of the Indenture, take any one or more of the following steps:

- (i) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under the Regulatory Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee under the Regulatory Agreement;
- (ii) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Project; and
- (iii) enforce the obligations, covenants and agreements of the Borrower under the Regulatory Agreement by an action for specific performance.

The Trustee shall have the right, in accordance with this section and the provisions of the Indenture, subject to such written direction, approval or knowledge of the Issuer or other third parties as the Indenture may require, to exercise any or all of the rights or remedies of the Issuer under the Regulatory Agreement, provided that prior to taking any such act the Trustee shall give the Issuer written notice of its intended action. All fees, costs and expenses of the Trustee incurred in taking any action pursuant to this section shall be the sole responsibility of the Borrower.

After the Indenture has been discharged, the Issuer may act on its own behalf to declare an “Event of Default” to have occurred and to take any one or more of the steps specified above to the same extent and with the same effect as if taken by the Trustee.

In the event the Borrower shall fail to submit to the Trustee the Income Certifications or the Certificates of Continuing Program Compliance at the times set forth in the Regulatory Agreement and the Issuer or the Trustee shall determine to inspect the books and records of the Borrower to determine whether the Borrower is in compliance with the terms of the Regulatory Agreement, the Borrower shall, upon demand by the Issuer or the Trustee, pay all expenses and costs of the Issuer and the Trustee in determining whether or not the Borrower is in compliance with the terms of the Regulatory Agreement.

## **Amendments**

The Regulatory Agreement shall be amended only by a written instrument executed by the parties thereto or their successors in title (except as otherwise provided therein), and duly recorded in the land records of Davidson County, Tennessee and only upon receipt by the Issuer of an opinion from Bond Counsel that such amendment will not adversely affect the Tax-exempt status of interest on the Bonds and is not contrary to the provisions of the Act.

Anything to the contrary contained in the Regulatory Agreement notwithstanding, the Issuer, the Trustee and the Borrower agree to amend the Regulatory Agreement to the extent required, in the opinion of Bond Counsel, in order that interest on the Bonds remain Tax-exempt. The party or parties requesting such amendment shall notify the

other parties to the Regulatory Agreement of the proposed amendment, with a copy of such requested amendment to Bond Counsel and a request that such Bond Counsel render to the Issuer an opinion as to the effect of such proposed amendment upon the Tax-exempt status of interest on the Bonds.

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## APPENDIX E

### FORM OF CONTINUING DISCLOSURE AGREEMENT

**\$21,171,000\***

**The Health and Educational Facilities Board of  
The Metropolitan Government of Nashville and Davidson County, Tennessee  
Multifamily Housing Revenue Bonds  
(Skyline Heights), Series 2026**

This Continuing Disclosure Agreement (this “Continuing Disclosure Agreement”) is made as of June 1, 2026, by and between 927 Skyline Ridge Drive, LP, a Tennessee limited partnership (the “Borrower”), and U.S. Bank Trust Company, National Association, as Dissemination Agent (the “Dissemination Agent”). This Continuing Disclosure Agreement is entered into in connection with the issuance and sale by The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (the “Issuer”) of the above-captioned bonds (the “Bonds”) pursuant to a Trust Indenture by and between U.S. Bank Trust Company, National Association, as trustee, and the Issuer dated as of June 1, 2026 (the “Indenture”).

#### **SECTION 1. Purpose of this Continuing Disclosure Agreement.**

This Continuing Disclosure Agreement is being executed and delivered by the Borrower, which is deemed to be the “obligated person” as defined by the Rule (defined below), and the Dissemination Agent for the benefit of the holders and beneficial owners of the Bonds (collectively, the “Bondholders”) and in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5), as it may be amended from time to time (the “Rule”), including administrative or judicial interpretations thereof, as it applies to the Bonds.

The Borrower acknowledges and agrees that the Issuer is not an “obligated person” for purposes of the Rule and shall have no reporting or disclosure obligations hereunder. In addition to any other indemnification obligations of the Borrower to the Issuer and the Dissemination Agent now or hereafter existing, the Borrower hereby covenants and agrees to indemnify and hold harmless the Issuer and the Dissemination Agent, any person who “controls” the Issuer or the Dissemination Agent (within the meaning of Section 15 of the Securities Act of 1933, as amended), and any member, officer, director, official, agent, employee, and attorney of the Issuer, the State or the Dissemination Agent (collectively called the “Indemnified Parties”) against any and all losses, claims, damages or liabilities (including all costs, expenses and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by, relating to, arising out of, resulting from, or in any way connected with compliance with the Rule as it applies to the Bonds.

#### **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 the Borrower’s Annual Report provided pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

“*Commission*” shall mean the Securities and Exchange Commission.

“*Continuing Disclosure Information*” shall mean, collectively, (i) each Annual Report, (ii) any notice required to be filed with the National Repository pursuant to Section 3(c) of this Continuing Disclosure Agreement, and (iii) any notice of a Listed Event required to be filed with the National Repository pursuant to Section 5(c) of this Continuing Disclosure Agreement.

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\* Preliminary; subject to change.

“EMMA” shall mean the Electronic Municipal Market Access System.

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

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“National Repository” shall mean the MSRB, through the internet facilities of EMMA, or any other public or private repository or entity that shall hereafter be designated by the Commission as a repository for purposes of the Rule.

“Opinion of Counsel” shall mean a written opinion of counsel expert in federal securities law acceptable to both the Issuer and the Borrower.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time, including administrative or judicial interpretations thereof, as it applies to the Bonds.

“State” shall mean the State of Tennessee.

### **SECTION 3. Provision of Annual Reports.**

(a) Commencing with the Borrower’s fiscal year ending December 31, 2026, the Borrower shall, no later than 180 days following the end of its fiscal year during which any of the Bonds remain outstanding, provide to the Dissemination Agent, the Annual Report prepared in each case for the fiscal year of the Borrower ending the immediately preceding December 31; provided, however, that the audited financial statements of the Borrower may be submitted separately from the Annual Report if such audited financial statements are not available by such date, but only if the unaudited financial statements are included in such Annual Report. Each Annual Report provided to the Dissemination Agent by the Borrower shall comply with the requirements of Section 4 of this Continuing Disclosure Agreement but may be submitted as a single document or as separate documents comprising a package and may cross-reference other information submitted to the National Repository. If the document incorporated by reference is a final official statement, it must be available from the National Repository. Any and all items that must be included in the Annual Report may be incorporated by reference from other information that is available to the public on EMMA, or that has been filed with the Commission. Unless otherwise provided by law, any Continuing Disclosure Information filed with the National Repository in accordance with this Continuing Disclosure Agreement shall be in an electronic format as shall be prescribed by MSRB Rule G-32, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32.

(b) The Dissemination Agent, promptly on receiving the Annual Report, and in any event not later than 180 days following the end of the fiscal year of the Borrower, shall submit each such Annual Report received by it to the National Repository in accordance with the Rule and to the Issuer.

(c) If the Borrower fails to submit the Annual Report to the Dissemination Agent by the date required in subsection (a) of this Section 3, the Dissemination Agent shall send a notice in a timely manner to the Borrower advising of such failure. Whether or not such notice is given or received, if the Borrower thereafter fails to submit the Annual Report to the Dissemination Agent by the last Business Day of the month in which such Annual Report was due, the Dissemination Agent shall promptly send a notice to the National Repository in substantially the form attached as Exhibit A hereto.

### **SECTION 4. Contents 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 B 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 listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which 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 Significant Events.**

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following listed events (the “Listed Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers or their failure to perform;
- (6) (i) 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 (ii) other material events affecting the tax status of the Bonds;
- (7) modifications to the rights of Bondholders, if material;
- (8) Bond calls (excluding mandatory sinking fund redemptions), if material, or tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Borrower;
- (13) 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;
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) incurrence of a financial obligation of the Borrower not contemplated under the Amended and Restated Agreement of Limited Partnership of the Borrower dated on or about the date hereof, 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; and

(16) 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.

For purposes of clauses (15) and (16) 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 Borrower shall, within seven (7) Business Days of the occurrence of any of the Listed Events, notify the Dissemination Agent in writing to report the event pursuant to subsection (c) of this Section 5. In determining the materiality of any of the Listed Events specified in clauses (2), (6)(ii), (7), (8), (10), (13), (14) or (15) of subsection (a) of this Section 5, the Borrower may, but shall not be required to, rely conclusively on an Opinion of Counsel. The Dissemination Agent shall have no obligation under this Continuing Disclosure Agreement to provide, or to monitor the Borrower’s obligation to provide, notification of the occurrence of any of the Listed Events which are material.

(c) If the Dissemination Agent has been instructed by the Borrower to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the National Repository within three (3) Business Days of the receipt of such instruction, but in no event later than ten (10) Business Days after the occurrence of a Listed Event, with a copy of such notice provided by the Dissemination Agent to the Borrower, the Issuer, and the Trustee. In addition, notice of Listed Event described in subsection (a)(8) of this Section 5 shall be given by the Dissemination Agent under this subsection simultaneously with the giving of the notice of the underlying event to the Bondholders of the affected Bonds pursuant to the Indenture.

#### **SECTION 6. Submission of Information to MSRB.**

Any Continuing Disclosure Information filed with the MSRB in accordance with this Continuing Disclosure Agreement shall be in electronic format as shall be prescribed by MSRB Rule G-32 or such other format as the Rule may require or permit, and shall be accompanied by such identifying information as shall be prescribed by MSRB Rule G-32 or as may otherwise be required by the Rule.

#### **SECTION 7. Defaults and Remedies.**

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

The obligations of the Borrower under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds, or when the Borrower is no longer an Obligated Person (as defined in the Rule) with respect to the Bonds.

#### **SECTION 9. Amendment; Waiver.**

Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if the Borrower has received an Opinion of Counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

## **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 the 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 the Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, it shall not have any obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

## **SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.**

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

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

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

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

## **SECTION 12. Beneficiaries.**

This Continuing Disclosure Agreement shall inure solely to the benefit of the Dissemination Agent, the Issuer and the Bondholders, and the Issuer and each Bondholder is hereby declared to be a third party beneficiary of this Continuing Disclosure Agreement. The Issuer shall have the right to bring an action in order to enforce the obligations of the parties hereunder. Except as provided in the immediately preceding sentence, this Continuing Disclosure Agreement shall create no rights in any other person or entity.

## **SECTION 13. Notices.**

All notices and other communications required or permitted under this Continuing Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or

when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below:

*If to the Borrower:*

927 Skyline Ridge Drive, LP  
c/o The Clear Blue Company LLC  
601 Woodland Street  
Nashville, TN 37206  
Attention: Nick Ogden

*If to the Dissemination Agent:*

U.S. Bank Trust Company, National Association  
2 Concourse Parkway, Suite 800  
Atlanta, GA 30328-5588  
Attention: Zacchaeus Buckner

Any party may alter the address to which communications are to be sent by giving notice of such change of address in conformity with the provisions of this Section 13 for the giving of notice.

**SECTION 14. Successors and Assigns.**

All of the covenants, promises and agreements contained in this Continuing Disclosure Agreement by or on behalf of the Borrower or the Dissemination Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

**SECTION 15. Headings for Convenience Only.**

The descriptive headings in this Continuing Disclosure Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

**SECTION 16. Counterparts.**

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

**SECTION 17. Severability.**

If any provision of this Continuing Disclosure Agreement, or the application of any such provision in any jurisdiction or to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions of this Continuing Disclosure Agreement, or the application of such provision as is held invalid or unenforceable in jurisdictions or to persons or circumstances other than those in or as to which it is held invalid or unenforceable, shall not be affected thereby.

**SECTION 18. Governing Law and Venue.**

This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties have executed this Continuing Disclosure Agreement by their proper and duly authorized officers the day and year first above written.

**927 SKYLINE RIDGE DRIVE, LP,**  
a Tennessee limited partnership

By: AHH 927 Skyline Ridge Drive GP, Inc.,  
a Tennessee corporation,  
its General Partner

By: \_\_\_\_\_  
Robert B. Sharp  
President

[Signatures continued on next page]

[Dissemination Agent Signature Page to Continuing Disclosure Agreement]

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

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

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

Name of Issuer: The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee

Name of Bond Issue affected: Multifamily Housing Revenue Bonds (Skyline Heights), Series 2026

CUSIP: \_\_\_\_\_

Date of Issuance of the affected Bond Issue: June \_\_\_\_, 2026

NOTICE IS HEREBY GIVEN that 927 Skyline Ridge Drive, LP has not provided the Annual Report with respect to the above-named Bond issue as required by Section 3 of the Continuing Disclosure Agreement dated as of June 1, 2026, among the Borrower and the Dissemination Agent. The Borrower anticipates that the specified Annual Report will be filed by \_\_\_\_\_.

Dated:

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

By: \_\_\_\_\_  
Authorized Officer

cc: Borrower

**EXHIBIT B**

**ANNUAL REPORT**

**\$21,171,000\***

**The Health and Educational Facilities Board of  
The Metropolitan Government of Nashville and Davidson County, Tennessee  
Multifamily Housing Revenue Bonds  
(Skyline Heights), Series 2026**

**CUSIP: \_\_\_\_\_**

**Annual report for the period ending December 31, \_\_\_\_\_**

**THE PROJECT**

Name of the Project:	Skyline Heights
Address:	927 Skyline Ridge Drive, Madison, TN 37115
Number of Units:	280

**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, \_\_\_\_\_, as derived from the Borrower's audited financial statements [or unaudited financial statements].

<b>Financial Results for Fiscal Year Ending December 31,</b>	
Revenues	
Operating Expenses <sup>1</sup>	
Net Operating Income	
Debt Service on the Series 2026 Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

<sup>1</sup> Excludes depreciation and other non-cash expenses.

<b>Occupancy Results for Fiscal Year Ending December 31,</b>	
Physical Occupancy	%
Economic Occupancy <sup>1</sup>	%

<sup>1</sup> 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.

**APPENDIX F**

**FORM OF BOND COUNSEL OPINION**

*Set forth below is the proposed form of the opinion letter of Adams and Reese LLP, Bond Counsel. It is preliminary and subject to change prior to the delivery of the Bonds.*

June \_\_, 2026

The Health and Educational Facilities Board of The  
Metropolitan Government of Nashville and Davidson County, Tennessee  
Nashville, Tennessee

U.S. Bank Trust Company, National Association, as Trustee  
Atlanta, Georgia

Re: \$21,171,000\* The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee Multifamily Housing Revenue Bonds (Skyline Heights), Series 2026

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by The Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (the "Issuer"), a public, nonprofit corporation organized and existing under the laws of the State of Tennessee, pursuant to the provisions of Title 48, Chapter 101, Part 3, Tennessee Code Annotated, as amended (the "Act"), of its Multifamily Housing Revenue Bonds (Skyline Heights), Series 2026, in the aggregate principal amount of \$21,171,000\*, dated the date of original issuance and delivery (the "Bonds"). In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion.

The Bonds are issued under, and are equally and ratably secured by, a Trust Indenture (the "Indenture"), dated as of June 1, 2026, from the Issuer to U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

The Bonds are being issued to provide funding for a loan (the "Loan") to be made by the Issuer to 927 Skyline Ridge Drive, LP, a Tennessee limited partnership (the "Borrower"). The proceeds of the Loan are being used to finance a portion of the costs of the acquisition and construction of a multifamily residential rental project to be located in Madison, Davidson County, Tennessee (the "Project").

The Loan is being made pursuant to a Loan Agreement, dated as of June 1, 2026 (the "Loan Agreement") by and between the Issuer and the Borrower. The Loan will be evidenced by a Promissory Note (the "Note") executed by the Borrower in favor of the Issuer and endorsed to the Trustee.

The Borrower has been required to enter into a Land Use Restriction Agreement, dated as of June 1, 2026, by and among the Issuer, the Borrower, and the Trustee (the "Regulatory Agreement"). The Borrower has covenanted, subject to certain limitations, to comply with the requirements of Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"). Those requirements must be continuously met subsequent to the date of issue of the Bonds in order that interest on the Bonds, commencing from the dated date of the Bonds, be exempt from federal income taxation. The Regulatory Agreement obligates the Borrower and its successors to operate the Project as a qualified residential rental project, as defined in Section 142(d) of the Code and the Regulations promulgated thereunder by the United States Department of the Treasury, and further requires that at least forty percent (40%) of

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\* Preliminary; subject to change.

the residential units in such Project be occupied by individuals whose income is sixty percent (60%) or less of area median gross income as defined under Section 142(d)(2)(B) for the qualified project period and as otherwise required under Section 142(d)(2)(A).

The Issuer and the Borrower have also been required to enter into a Tax Exemption Agreement, dated as of the date hereof (the "Tax Agreement"), which sets forth certain terms and conditions relating to the use and investment of proceeds of the Bonds and of certain other moneys relating to the Bonds in order to comply with certain requirements of the Code.

The Bonds are issued as fully registered bonds and numbered as provided in the Indenture. The Bonds bear interest on the principal amount thereof at the rate, the principal thereof matures on the date, and the Bonds are subject to redemption prior to maturity at the times, in the manner, and upon the terms, set forth in such Bonds and in the Indenture. In the Indenture, the Issuer has assigned to the Trustee the rights of the Issuer (excepting only certain rights expressly excluded from such Indenture as more fully specified therein) in and to the Loan Agreement, as security for the payment by the Issuer of the principal of, and the premium, if any, and interest on, the Bonds.

Based upon such examination and such other documents, showings, and related matters of law as we deem necessary to render this opinion, we are of the opinion that, under existing law:

(1) The Issuer is a public, nonprofit corporation duly organized and validly existing under the laws of the State of Tennessee, with full power to enter into, execute, deliver and perform its obligations under, and accept, as applicable, the Indenture, the Loan Agreement, and the Regulatory Agreement, and to issue, sell, and deliver the Bonds.

(2) The execution and delivery of the Indenture, the Loan Agreement, and the Regulatory Agreement have been duly authorized by all necessary action on the part of the Issuer, and the Indenture, the Loan Agreement, and the Regulatory Agreement have been duly executed and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other interested parties thereto (other than the Issuer), constitute legal, valid and binding instruments enforceable against the Issuer in accordance with their respective terms, except to the extent the enforceability thereof may be limited by future proceedings under bankruptcy, reorganization, debt arrangement, insolvency, or other laws of general application or principles of equity relating to or affecting the enforcement of creditors' rights generally.

(3) The Bonds are valid and legally binding upon the Issuer according to the import thereof, except to the extent the enforceability thereof may be limited by future proceedings under bankruptcy, reorganization, debt arrangement, insolvency, or other laws of general application or principles of equity relating to or affecting the enforcement of creditors' rights generally. The Bonds are payable solely from the revenues and property pledged under the Indenture, including certain receipts derived under the Loan Agreement. The Indenture creates a valid pledge of the Trust Estate (as defined in the Indenture) for payment of the Bonds in accordance with the terms of the Indenture.

(4) The Bonds are an exempted security which does not require registration under the United States Securities Act of 1933, and the Indenture is not required to be qualified under the United States Trust Indenture Act of 1939.

(5) Interest on the Bonds is excludable from gross income for federal income tax purposes, 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. In addition, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes.

retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds. We have not undertaken to advise in the future whether any events after the date of execution and delivery of the Bonds may affect the tax status of the interest on the Bonds.

(6) The Bonds and the interest on the Bonds are exempt from all state, county, and municipal taxation in the State of Tennessee except to the extent that interest on the Bonds is included within the measure of certain privilege and excise taxes imposed under Tennessee law. We express no opinion regarding taxation of the Bonds or interest on the Bonds in any state other than Tennessee.

In rendering this opinion, we have assumed (a) the proper and authorized authentication of the Bonds by the Trustee in accordance with the Indenture and the proper and authorized execution and delivery of the Indenture by the Trustee, and (b) continuous compliance with certain covenants in the Indenture, the Loan Agreement, the Regulatory Agreement, and the Tax Agreement designed to meet the requirements of the Act and the requirements of the Code and the regulations thereunder.

In addition, in rendering this opinion, we have further relied upon: (1) the opinion of even date herewith of Reno & Cavanaugh, PLLC, Nashville, Tennessee, counsel to the Borrower, with respect to, among other things, (i) the due organization and good standing of the Borrower, (ii) the due authorization, execution, and delivery by the Borrower of the Loan Agreement, the Regulatory Agreement and the Tax Agreement, and (iii) matters which might be disclosed by an examination of agreements or instruments to the Borrower is a party or by which the Borrower or any of its property or assets is bound; and, (2) representations and certifications of the Borrower, without undertaking to verify the same by independent investigation.

We express no opinion as to the title to, or the description of, the real property described in the Loan Agreement or the Regulatory Agreement.

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

Yours truly,

ADAMS AND REESE LLP