

NEW ISSUE – Book-Entry Only

RATING: S&P “AA+”
SEE “RATING” herein.

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and certifications, and compliance with certain covenants intended to assure compliance with the applicable provisions of the Internal Revenue Code of 1986 as amended (the “Code”), and the regulations thereunder, interest on the Bonds is excludable from the gross income of the holders thereof for federal income tax purposes, except such exclusion does not apply with respect to interest on any Bond for any period during which such Bond is held by a person who, within the meaning of Section 147(a) of the Code and the regulations thereunder, is a “substantial user” of the Project or a “related person” and except as described under “TAX MATTERS” herein. Interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed upon individuals and corporations. Bond Counsel also is of the opinion that interest on the Bonds is exempt from all state and local taxes in the State of Georgia. See “TAX MATTERS” for additional information.

\$4,350,000*

NORTHWEST GEORGIA HOUSING AUTHORITY
Multifamily Housing Revenue Bonds
(Dallas Manor Apartments Project),
Series 2021

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

Maturity Date: October 1, 2024*
Initial Mandatory Tender Date: October 1, 2023*
CUSIP: _____

Northwest Georgia Housing Authority (the “Issuer”) is issuing its Multifamily Housing Revenue Bonds (Dallas Manor Apartments Project) Series 2021 (the “Bonds”) pursuant to a Trust Indenture dated as of June 1, 2021 (the “Indenture”), by and between the Issuer and U.S. Bank National Association, Brandon, Mississippi, as trustee (the “Trustee”). Proceeds of the Bonds will be used to finance a loan to Dallas Manor, L.P., a Tennessee limited partnership (the “Borrower”), to enable the Borrower to pay a portion of the cost of acquiring, rehabilitating and equipping a 40-unit multifamily residential rental facility known as Dallas Manor Apartments and located in Dallas, Georgia (the “Project”). See “THE PROJECT” herein.

The Bonds will bear interest at the Initial Interest Rate indicated above from their date to but not including the Initial Mandatory Tender Date indicated above, payable on each April 1 and October 1, commencing October 1, 2021*. See “THE BONDS” herein. The Bonds will be issued as fully registered bonds in denominations of \$5,000 and integral multiples of \$5,000 in excess thereof. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. DTC will act as securities depository of the Bonds. Purchases will be made only in book-entry form through DTC participants in the aforesaid authorized denominations, and no physical delivery of Bonds will be made to purchasers. Payments of principal of and premium, if any, and interest on the Bonds will be made to purchasers by DTC through its participants. See “THE BONDS – Book-Entry Only System” herein.

The Bonds, when, as and if issued, will be special limited obligations of the Issuer, payable solely from the revenues and other money assigned by the Indenture to secure that payment. Pursuant to the Loan Agreement, dated as of June 1, 2021 (the “Loan Agreement”), between the Issuer and the Borrower, the Borrower has agreed to cause deposits to be made, over time, to the Collateral Fund established under the Indenture in exchange for the disbursement of Bond proceeds in the Project Fund established under the Indenture. The principal of and interest on the Bonds will be paid from amounts on deposit in the Bond Fund established under the Indenture, the Collateral Fund and the Project Fund. The Indenture requires the Bonds to be secured at all times by Eligible Investments (as defined herein) sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at maturity or upon mandatory tender or acceleration, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein. On the Closing Date, (i) proceeds of the Bonds deposited in the Project Fund and any amounts deposited in the Negative Arbitrage Account of the Bond Fund shall be invested (to the extent practicable) in non-callable Government Obligations (as defined herein) which mature on or prior to the date the Bonds are subject to mandatory tender, and (ii) any other proceeds shall be invested in one or more Eligible Investments.

The Bonds are subject to mandatory tender for purchase on the Initial Mandatory Tender Date. See “THE BONDS – Mandatory Tender” herein. The Bonds may be remarketed and a new interest rate for the Bonds may be determined on the Initial Mandatory Tender Date in accordance with the terms of the Indenture. If the Bonds are remarketed on the Initial Mandatory Tender Date, the terms of the Bonds after such date may differ materially from the description provided in this Official Statement. Therefore, prospective purchasers of the Bonds on and after the Initial Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with any such remarketing.

The Bonds are not subject to redemption prior to the Initial Mandatory Tender Date. See “THE BONDS – Terms of Bonds Generally”.

THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE OR CREATE A DEBT OR OBLIGATION, EITHER GENERAL OR SPECIAL, OR LIABILITY OR MORAL OBLIGATION OF THE CITY OF DALLAS, GEORGIA (THE “CITY”), THE STATE OF GEORGIA (THE “STATE”) OR ANY COUNTY, MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER. NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR OF ANY COUNTY, MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER (WHICH HAS NO TAXING POWER) BUT ARE LIMITED REVENUE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS SHALL BE A VALID CLAIM ONLY AS AGAINST THE PLEDGED REVENUES, IS NOT A GENERAL OBLIGATION OF THE CITY, THE STATE, OR ANY COUNTY, MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE, OR ANY COUNTY, MUNICIPALITY, POLITICAL SUBDIVISION OF THE STATE OR THE ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

The Bonds are offered for delivery when, as and if issued and received by Raymond James & Associates, Inc. (the “Underwriter”) and subject to the approval of legality by Dinsmore & Shohl LLP, Atlanta, Georgia, Bond Counsel and certain other conditions. Certain legal matters will be passed upon for the Issuer by its counsel Brinson, Askew, Berry, Seigler, Richardson & Davis, LLP, Rome, Georgia and for the Borrower by its counsel Gentry, Tipton & McLemore, P.C., Knoxville, Tennessee, and Butler Snow LLP, Atlanta, Georgia. Kutak Rock LLP, Atlanta, Georgia is serving as counsel to the underwriter. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in New York, New York on or about June __, 2021*.

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

Date: June __, 2021

RAYMOND JAMES®

* Preliminary; subject to change.

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

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

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

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

No registration statement relating to the 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 is a registered trademark of the American Banker's Association. CUSIP data herein are provided by CUSIP Global Services, managed by Standard and Poor's Financial Services LLC on behalf of the American Banker's 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 on the cover of this Official Statement. 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.

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OFFICIAL STATEMENT

\$4,350,000*

**Northwest Georgia Housing Authority
Multifamily Housing Revenue Bonds
(Dallas Manor Apartments Project) Series 2021**

INTRODUCTION

This Official Statement (this “Official Statement”), including the Appendices, has been prepared in connection with the issuance of the above-captioned Bonds (the “Bonds”) by Northwest Georgia Housing Authority (the “Issuer”), a public body corporate and politic organized and existing under the Constitution and the laws of the State of Georgia (the “State”). The Issuer has authorized the issuance of the Bonds by pursuant to a resolution adopted by the Board of Directors of the Issuer on December 16, 2020, which will be supplemented by a resolution approving the sale of the Bonds (collectively, the “Resolution”). The Bonds are issued pursuant to a Trust Indenture dated as of June 1, 2021 (the “Indenture”), by and between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”). Certain capitalized terms that are used in this Official Statement and not otherwise defined shall have the definitions ascribed to them in “APPENDIX A – DEFINITIONS OF CERTAIN TERMS” hereto.

The Bonds are to be issued pursuant to the provisions of the Housing Authorities Law, O.C.G.A. Section 8-3-1, et seq., as amended (the “Act”), for the purpose of providing funds to make a loan (the “Loan”) to Dallas Manor, L.P., a Tennessee limited partnership (the “Borrower”), to enable the Borrower to pay a portion of the cost of acquiring, rehabilitating and equipping a 40-unit multifamily residential rental facility for individuals and families of low and moderate income located in the City of Dallas, Georgia, known as Dallas Manor Apartments Project (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, 2021 (the “Loan Agreement”), by and between the Issuer and the Borrower and assigned by the Issuer, except for Reserved Rights, to the Trustee. Pursuant to the Loan Agreement, the Borrower has agreed to make payments to the Issuer in amounts sufficient to pay the principal of and interest on the Bonds when due (the “Bond Service Charges”) to the extent that amounts otherwise available for such payment are insufficient therefor. The Loan will be evidenced by a promissory note in the principal amount of \$4,350,000* (the “Note”) from the Borrower to the Trustee.

The Indenture establishes certain funds (the “Special Funds”), including a fund for the receipt and disbursement of Bond proceeds (the “Project Fund”), a fund for the receipt of amounts required to be received in exchange for disbursement of Bond proceeds (the “Collateral Fund”) and a fund for the payment of the Bond Service Charges (the “Bond Fund”), and within the Bond Fund an account for the deposit of Eligible Funds (as defined in APPENDIX A) to pay the interest portion of the Bond Service Charges (but only at such times as money is to be deposited or held in such account as provided in the Indenture) (the “Negative Arbitrage Account”). Amounts on deposit in the Special Funds will be invested in Eligible Investments (as defined in APPENDIX A). The Indenture requires the Bonds to be secured at all times by Eligible Investments sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at maturity or upon mandatory tender or acceleration, as further described herein. The aggregate funds on deposit in the Project Fund and the Collateral Fund will, at all times, equal the principal amount of Bonds Outstanding. The Bond Service Charges will be paid from amounts on deposit in the Negative Arbitrage Account of the Bond Fund and thereafter from funds on deposit in the Bond Fund, the Collateral Fund or the Project Fund, and investment earnings thereon. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Bonds shall bear interest on the outstanding principal amount thereof at a rate equal to ___% per annum from their date, to but not including, October 1, 2023* (the “Initial Mandatory Tender Date”), payable on each April 1 and October 1, commencing October 1, 2021* (each an “Interest Payment Date”).

* Preliminary; subject to change.

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 not subject to redemption prior to the Initial Mandatory Tender Date.

As is described under “PLAN OF FINANCING” below, the Borrower expects to obtain permanent financing for its acquisition, rehabilitation and equipping of the Project primarily from (a) a mortgage loan (the “Mortgage Loan”) to be made by Walker & Dunlop, LLC, a limited liability company organized under the laws of the State of Delaware (the “Lender”), which Mortgage Loan will be insured by the Secretary of Housing and Urban Development acting by and through the Federal Housing Administration (“FHA”) under Section 221(d)(4) of the National Housing Act, as amended, and the regulations promulgated thereunder, and (b) proceeds from the capital contributions to be made to the Borrower by the Investor Limited Partners (as defined under “PRIVATE PARTICIPANTS – The Borrower” herein) and as described under “PLAN OF FINANCING”.

To fund the Mortgage Loan, the Lender expects to issue and sell GNMA Certificates which will be backed by the Mortgage Loan and guaranteed as provided therein by the Government National Mortgage Association (“GNMA”). Neither the Mortgage Loan nor any GNMA Certificates issued with respect to the Mortgage Loan will be pledged to secure the Bonds. See “SECURITY FOR THE BONDS” below. In connection with the Mortgage Loan, the Borrower will execute certain notes, security instruments, regulatory agreements and related documents (the “Mortgage Loan Documents”). In the event of conflict between the provisions of the Mortgage Loan Documents, the Note securing repayment of the Bonds, the Indenture, the Loan Agreement or the Land Use Restriction Agreement, the Mortgage Loan Documents will control, subject to certain provisions concerning the Issuer and its limited recourse thereunder set forth in the Bonds, the Indenture, the Loan Agreement, and the Land Use Restriction Agreement which shall be controlling. Neither the Holders of the Bonds nor the Trustee will have rights under the Mortgage Loan Documents. The Lender will also hold escrows for taxes, insurance and mortgage insurance premiums which will not be pledged to secure the Bonds. Furthermore, neither the Holders of the Bonds nor the Trustee will have a lien on the real estate on which the Project is located or in any funds, accounts or reserves established, maintained and/or collected by the Lender.

The Borrower, the Trustee, the Lender, and various other parties will enter into a Loan Disbursement Procedures Agreement dated as of June 1, 2021 (the “Loan Disbursement Procedures Agreement”), which will provide for certain proceeds of the Mortgage Loan to be available to make payments to the Trustee for deposit into the Collateral Fund held by the Trustee under the Indenture, in the amounts of, and as a condition to the release of, requested disbursements of Bond proceeds from the Project Fund to finance costs of the Project.

The Project is subject to a Land Use Restriction Agreement (the “Land Use Restriction Agreement”) dated as of June 1, 2021, by and among the Borrower, the Issuer and the Trustee. The Land Use Restriction Agreement requires that at least 40% of completed units of the Project be occupied by persons or families having incomes at or below 60% of area median gross income during the Qualified Project Period. Failure to comply with these requirements could result in the loss of the federal tax exemption of the Bonds retroactive to their date of issuance. See “TAX MATTERS” and “APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT.” In addition to the rental restrictions imposed upon the Project by the Land Use Restriction Agreement, the Project will be further encumbered by a tax credit restrictive covenant (the “Tax Credit Restrictive Covenant”) to be executed by the Borrower in connection with the federal low income housing tax credits (“Federal Tax Credits”) anticipated to be granted for the Project (and allocated to the partners of the Borrower) and in compliance with the requirements of Section 42 of the Code, and by the agreements entered into with regard to rental assistance payments applicable to the Project. See “THE PROJECT” and “THE PRIVATE PARTICIPANTS” herein.

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

THE ISSUER

Power

In accordance with the Act, and by proper resolutions of the Issuer, the Issuer is authorized and empowered to issue the Bonds, to loan the proceeds thereof to the Borrower to provide funds for the financing of the acquisition, rehabilitation and equipping of multifamily housing projects located in Dallas, Georgia and to secure the Bonds by a pledge of the amounts payable by the Borrower under the Loan Agreement.

Although the Issuer is a public body corporate and politic of the State, the State is not 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.

Operation and Membership

Pursuant to the Act, the Issuer is governed by a board of seven commissioners, including one resident board member. The resident board member has a term of one year, and all other commissioners hold the office for staggered terms of five years. Commissioners receive no compensation except reimbursement for actual expenses incurred in the performance of their duties.

Indebtedness of the Issuer

The Resolution approves the issuance and sale of the Bonds. The Issuer has previously issued and may in the future issue bonds to finance facilities, which may compete with the Project.

Each series of bonds issued by the Issuer is payable only from revenues provided by the entity on whose behalf such series was issued and general funds of the Issuer are not available for the payment of such bonds. The Issuer has no taxing power.

Limitations on Liability

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 WARRANTY, EITHER EXPRESS OR IMPLIED, OF ANY KIND AS TO THE PROJECT, THE CONDITION THEREOF, THAT THE PROJECT WILL BE SUITABLE FOR THE PURPOSES OR NEEDS PROPOSED, THE ECONOMIC FEASIBILITY OF THE PROJECT OR THE CREDIT-WORTHINESS OF THE PROJECT, AND NO SUCH WARRANTY SHALL BE IMPLIED WITH RESPECT TO OR AS A RESULT OF THE ISSUANCE OF BONDS OR OTHER TRANSACTIONS DESCRIBED OR CONTEMPLATED HEREIN. ANY BOND PURCHASER, ANY ASSIGNEE, OR ANY OTHER PARTY WITH ANY INTEREST IN THIS PROJECT OR TRANSACTION SHALL MAKE ITS OWN INDEPENDENT INVESTIGATION AS TO THE CREDITWORTHINESS, SUITABILITY, AND/OR FEASIBILITY OF THE PROJECT, INDEPENDENT OF ANY REPRESENTATIONS OR WARRANTIES.

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.

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

EXCEPT FOR INFORMATION CONCERNING THE ISSUER IN THIS SECTION AND “ABSENCE OF LITIGATION” (WITH RESPECT TO THE ISSUER), NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR INDEPENDENTLY 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 be issued in Authorized Denominations and shall mature on October 1, 2024* (the “Maturity Date”). The Bonds are dated their date of initial delivery and shall bear interest at the Initial Interest Rate from their date of delivery, to but not including the Initial Mandatory Tender Date, payable on each Interest Payment Date, commencing October 1, 2021*.

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, 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.

The Bonds are not subject to redemption prior to the Initial Mandatory Tender Date.

Mandatory Tender

All Outstanding Bonds will be subject to mandatory tender by the Holders for purchase in whole and not in part on each Mandatory Tender Date. Holders of Bonds subject to mandatory tender for purchase shall tender such Bonds to the Trustee by 12:00 noon, Local Time, 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, without premium or prepayment penalty, to the Mandatory Tender Date, and shall be paid in full in the applicable Mandatory Tender Date.

Notice of Mandatory Tender

Notice to Holders. Not less than 30 days preceding a Mandatory Tender Date, the Trustee will give written notice of mandatory tender to the Holders of the Bonds then Outstanding (with a copy to the Borrower, the Investor

* Preliminary; subject to change.

Limited Partners 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;

(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) that 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.

Bonds Deemed Tendered

Bonds will be deemed to have been tendered 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 will authenticate and deliver new Bonds in replacement thereof pursuant to the remarketing of such Undelivered Bonds.

Source of Funds for Purchase of Bonds

On each Mandatory Tender Date the Bonds tendered (or deemed tendered) to the Trustee for purchase in accordance with the Indenture will be purchased at a price of 100% of the principal amount thereof plus accrued interest to the Mandatory Tender Date. Funds for the payment of the tender price for such Bonds will be paid by the Trustee solely from the following sources and 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 on Bonds tendered for purchase;

(iv) amounts on deposit in the Project Fund; and

(v) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

Book-Entry Only System

The information in this section concerning The Depository Trust Company (“DTC”) and DTC’s Book-Entry System has been obtained from DTC and has not been independently verified by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees. No representation whatsoever as to the accuracy, adequacy or completeness of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof, is made by the Issuer, the Trustee, the Borrower, the Underwriter or any of their respective counsel, members, officers or employees.

The Depository Trust Company (“DTC”), New York, NY, 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 the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the 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 the Issuer or the trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Additional Bonds

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

Registration and Transfer of Bonds

So long as any of the Bonds remain Outstanding, the Issuer will cause books for the registration and transfer of Bonds, as provided in the Indenture, to be maintained and kept at the Designated Office of the Trustee.

Subject to the provisions of the Indenture, any Bond may be transferred upon the Register, upon presentation and surrender thereof at the Designated Office of the Trustee, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Trustee. Upon transfer of any Bond and on request of the Trustee, the Issuer shall execute in the name of the transferee, and the Trustee shall authenticate and deliver, a new Bond or Bonds, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Bonds presented and surrendered for transfer.

In all cases in which Bonds shall be transferred under the Indenture, the Issuer shall execute, and the Trustee shall authenticate and deliver, Bonds in accordance with the provisions of the Indenture. The transfer shall be made without charge; provided, that the Issuer and the Trustee may make a charge for every exchange or transfer of Bonds sufficient to reimburse them for any tax or excise required to be paid with respect to the transfer. The charge shall be paid before a new Bond is delivered.

All Bonds issued upon any transfer of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under the Indenture, as the Bonds surrendered upon transfer.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Indenture requires the Bonds to be secured at all times by Eligible Investments and Eligible Funds sufficient, without need for reinvestment, to pay all of the interest on the Bonds when due and to pay the principal of the Bonds at maturity or upon mandatory tender or acceleration, as further described herein.

To the extent provided in and except as otherwise permitted by the Indenture, the Bonds will be secured by all right, title and interest of the Issuer in the Trust Estate (as defined below), including, but not limited to (i) the Revenues, including, without limitation, all Loan Payments, Collateral Payments 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 those 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, if any) 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 in its behalf, or with its written consent, to the Trustee, which is authorized by the Indenture to receive any and all such property at any and all times and to hold and apply the same subject to the terms of the Indenture, (iv) the Note and (v) the Loan Agreement, except for the Reserved Rights (the foregoing collectively referred to as the "Trust Estate"). Revenues include the payments required to be made by the Borrower under the Loan Agreement and the Note; the Collateral Payments to be received by the Trustee as a prerequisite to the advance of Bond proceeds in the Project Fund; all other money received or to be received by the Issuer or the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund; any money and investments in or allocated to the Project Fund and the Collateral Fund; and all income and profit from the investment of the foregoing money.

THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR PLEDGE OF THE GENERAL CREDIT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OF INDEBTEDNESS. THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND DO NOT CONSTITUTE OR CREATE A DEBT OR OBLIGATION, EITHER GENERAL OR SPECIAL, OR LIABILITY OR MORAL OBLIGATION OF THE CITY OF DALLAS, GEORGIA (THE "CITY"), THE STATE OF GEORGIA (THE "STATE") OR ANY COUNTY, MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER. NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OR OF ANY COUNTY, MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER (WHICH HAS NO TAXING POWER) BUT ARE LIMITED REVENUE

OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS SHALL BE A VALID CLAIM ONLY AS AGAINST THE PLEDGED REVENUES, IS NOT A GENERAL OBLIGATION OF THE CITY, THE STATE, OR ANY COUNTY, MUNICIPALITY OR POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE, OR ANY COUNTY, MUNICIPALITY, POLITICAL SUBDIVISION OF THE STATE OR THE ISSUER IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS.

Repayment of Loan

The Loan Agreement and the Note obligate the Borrower to cause to be paid to the Trustee amounts which shall be sufficient to pay Bond Service Charges coming due on each Bond Payment Date, however, it is expected that Collateral Payments required to be deposited in the Collateral Fund, along with interest earnings thereon and amounts on deposit in the Negative Arbitrage Account of the Bond Fund and the Project Fund, 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. The Borrower's obligations to make payments pursuant to the Loan Agreement and Bond Documents are limited, nonrecourse obligations of the Borrower, and Holders of the Bonds will have recourse only to the Trust Estate. No other revenues or assets of the Borrower or its partners will be available for the payment of, or as security for, the Bonds.

Bond Fund

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 Bond Payment Date directly to the Trustee, and deposited in the Bond Fund, in at least the amount necessary to pay Bond Service Charges due on the Bonds on such Bond Payment Date.

The Bond Fund (and accounts therein) and the money and Eligible Investments 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, in the following order: (a) from money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of Bond Service Charges), (b) from the money on deposit in the Bond Fund, other than the Negative Arbitrage Account thereof, (c) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, (d) from money on deposit in the Project Fund and transferred as necessary to the Bond Fund, and (e) from money on deposit in the Negative Arbitrage Account of the Bond Fund (to pay all Bond Service Charges).

The amount of aggregate interest payments due on the Bonds is required, pursuant to the Indenture and the Loan Agreement, to be deposited on the Closing Date to the Negative Arbitrage Account of the Bond Fund from or on behalf of the Borrower. Such deposit must consist of Eligible Funds.

Project Fund and Collateral Fund

The Project Fund will be funded with the proceeds of the Bonds on the Closing Date. Funds on deposit in the Project Fund will be disbursed to finance Project Costs in accordance with the Loan Agreement. To the extent money is not otherwise available to the Trustee, including amounts on deposit in the Bond Fund and the Collateral Fund, the Trustee will transfer from the Project Fund to the Bond Fund sufficient money to make the necessary interest and principal payments on each Interest Payment Date without further written direction.

The Trustee shall deposit all Collateral Payments received pursuant to the Loan Agreement and any other Eligible Funds received by the Trustee to the Collateral Fund.

The Indenture provides that the amount of funds disbursed from the Project Fund on any given date for the financing of Project Costs shall be equal to the corresponding amount deposited as a Collateral Payment to the

Collateral Fund. Accordingly, the aggregate amount in the Collateral Fund and the Project Fund shall at all times equal 100% of the principal amount of the Bonds outstanding.

Notwithstanding any provision of the Loan Agreement, the Loan Disbursement Procedures Agreement or the Indenture to the contrary, the Trustee will not act upon the delivery of a request for disbursement of funds from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until (i) an amount equal to or greater than the requested disbursement amount has been deposited in the Collateral Fund in accordance with the provisions of the Indenture and (ii) the Trustee has determined that the sum of the amount on deposit in the Collateral Fund and the amount on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund is at least equal to the then outstanding principal amount of the Bonds.

See “Bond Fund,” “Project Fund” and “Collateral Fund” in APPENDIX B hereto.

Additional Bonds

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

PRIVATE PARTICIPANTS

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

The Borrower

The Borrower is Dallas Manor, L.P., a Tennessee limited partnership, and a single asset entity formed for the specific purpose of acquiring, rehabilitating and owning the Project. The general partner of the Borrower is Dallas Manor GP, LLC, a Tennessee limited liability company established in 2020 (the “General Partner”), which will have a 0.01% general partnership interest in the Borrower. With respect to the limited partners of the Borrower, (i) First Horizon Community Investment Group, Inc., a Tennessee corporation, and its successors and assigns (the “Federal Investor Limited Partner”) will own a 98.99% limited partnership interest in the Borrower, (ii) CC Community Development Holdings, Inc., a Tennessee corporation (the “Special Limited Partner”) will own 0.00% limited partnership interest in the Borrower, and (iii) Affordable Housing Fund Georgia 2021 LLC, a Missouri limited liability company, and its successors and assigns (the “State Investor Limited Partner,” and collectively with the Federal Investor Limited Partner and the Special Limited Partner, the “Investor Limited Partners”) will own a 1% limited partnership interest in the Borrower.

The Borrower and General Partner are both affiliates of LHP Capital, LLC (“LHP”). LHP also serves as the developer and sponsor of the Project. LHP and its predecessors have been involved in the development and management of affordable rental housing since 1975, with ties to more than 13,000 units of Section 8 subsidized and low income housing tax credit restricted properties during that time.

Investor Limited Partners

Prior to the issuance of the Bonds, the Borrower expects to admit the Investor Limited Partners with a 99.99% combined limited partnership interest in the Borrower. See “PRIVATE PARTICIPANTS – The Borrower.” The equity funding arrangements for such ownership interest will require that equity contributions be paid in stages during and after rehabilitation 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 projections set forth above 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 Partners

The Borrower and the General Partner have no substantial assets other than the Project and do not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. The Investor Limited Partners, LHP and its 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, members, developers, managers, sponsors or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Loan Agreement and the Note are non-recourse to the Borrower and its partners and are limited to the Project, subject to rights of the Lender, and money 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 Managing Agent

The Project is expected to be managed by LHP Management, LLC, a Tennessee limited liability company located in Knoxville, Tennessee (in such capacity, the "Managing Agent"), which is affiliated with LHP. The Managing Agent currently manages multifamily units located throughout the southeast and central United States, most of which have some type of affordable rental assistance or financing, including low-income housing tax credits and/or HUD funds.

The Lender

Walker & Dunlop, LLC, a Delaware limited liability company (the "Lender"), will, upon satisfaction of certain conditions precedent, make the Mortgage Loan to the Borrower. The Lender specializes in FHA-insured construction and permanent mortgage loans for multifamily and seniors housing projects. The Lender has been approved by HUD as an eligible issuer and servicer of loans guaranteed by GNMA.

THE PROJECT

The Project is comprised of 40 residential apartment units in 3 two-story apartment buildings on approximately 4.00 acres, located within the jurisdiction of the Issuer. The Project was originally constructed in 1979 and is constructed of wood frame construction with brick and wood accents. Rehabilitation of the Project is scheduled to begin promptly following the issuance of the Bonds. Planned improvements include: new HVAC units, landscaping, replacement and addition of appliances, new kitchen cabinets and countertops, bathroom upgrades, new interior flooring and water heaters, ADA upgrades to 5% of the units, life safety upgrades, paving and concrete sidewalk upgrades, and exterior entry door replacement.

The unit mix for the Project will be as follows:

	<u>Approximate Square Footage</u>	<u>Number of Units</u>
2BR/1BA	841	40

Section 8 Assistance

The Project is the subject of one project-based Section 8 Housing Assistance Payments Basic Renewal Contract (the "HAP Contract") for 40 of the units in the Project (the "Section 8 Units"), which contract will have a term of at least 20 years from the Closing Date. The HAP Contract provides for HUD to fund certain rental assistance payments on behalf of Eligible Tenants in the Section 8 Units based on certain rents determined by HUD ("Contract Rents"). Eligible Tenants are defined generally as those households whose income does not exceed 80% (on a scale weighted to reflect family size) of the median income for an area as determined by HUD. The HAP

Contract also requires that preference be given to leasing to very low-income tenants (tenants having incomes that do not exceed 50%, on a weighted scale, of the median incomes for the area). Eligible Tenants pay a maximum of 1/3 of their monthly adjusted gross income as rent with the HAP Contract contributing the remaining difference between the tenant share and the HUD determined monthly rental rate. The HAP Contract is expected to have a term as described above, although the funds to make the assistance payments under the HAP Contract are subject to annual appropriations by Congress. Housing assistance payments are subject to abatement or termination if dwelling units are not properly maintained or occupied and the HAP Contract may be terminated in the event of a default thereunder by the Borrower.

There are numerous proposals, both by HUD and in Congress, to restructure HUD and to modify the Section 8 program. No assurance can be given as to the effect of any future legislative or administrative changes upon HUD or the Section 8 program. Any decrease in the Contract Rents payable under the HAP Contract would reduce the revenues of the Project and could affect the ability of the Borrower to make required payments on the Mortgage Loan.

Management Agreement

The Borrower has entered into a Management Agreement with the Managing Agent to engage the Managing Agent to manage the Project. Under the Management Agreement, the Managing Agent will manage the day-to-day operations of the Project.

Project Regulation

The Borrower intends to construct and operate the Project as a qualified residential rental project in accordance with the provisions of Section 142(d) of the Code. Concurrently with the issuance of the Bonds, the Borrower, the Issuer and the Trustee will enter into the Land Use Restriction Agreement. Under the Land Use Restriction Agreement, the Borrower will agree that, at all times during the Qualified Project Period, 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 less than 60% of the median area income (adjusted for family size). The Qualified Project Period commences on the later of the Closing Date or the first day on which at least 10% of the units are occupied and continues until the latest of (a) the date which is fifteen (15) years after the later of the Closing Date or the date on which at least fifty percent (50%) of the units in the Project are first occupied, (b) the first date on which no tax-exempt private activity bonds with respect to the Project are outstanding, or (c) the date on which any assistance provided with respect to the Project under Section 8 of the Housing Act terminates. The failure of the Borrower to comply with the Land Use Restriction Agreement could cause interest on the Bonds to be included in gross income for federal income tax purposes. See "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT".

The Project will also be encumbered by the Tax Credit Restrictive Covenant required by Section 42 of the Code relating to the Federal Tax Credits, which will (a) restrict the income levels of 100% of the units in the Project to amounts not greater than 60% of the area median income adjusted for family size, and (b) restrict the resident portion of the rents which may be charged for occupancy of units in the Project to not more than 30% of 60% of area median income, adjusted for family size.

Additional restrictions are imposed on the Project pursuant to the HUD Regulatory Agreement entered into by the Borrower in connection with the Mortgage Loan, and by the HAP Contract.

PLAN OF FINANCING*

The total cost of the Project, including acquisition, improvements, financing costs and reserves, is estimated by the Borrower to be approximately \$9,247,612. In addition to the proceeds of the Bonds and the Mortgage Loan, other sources of financing for the Project are expected to include total equity contributions by the Investor Limited Partners of approximately \$4,277,609.

* Preliminary; subject to change.

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

Sources of Funds:	
Bond Proceeds	\$4,350,000
Eligible Funds ¹	_____
Total	<u>\$ _____</u>
Uses of Funds:	
Project Fund	\$4,350,000
Negative Arbitrage Account ²	_____
Total	<u>\$ _____</u>

¹ Expected to be funded with proceeds of the Mortgage Loan in order to make required deposits to the Negative Arbitrage Account.

² The deposit into the Negative Arbitrage Account has been calculated to be sufficient to provide for the payment of interest which will become due on the Bonds to but not including the Initial Mandatory Tender Date.

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.

The Eligible Investments to be held in the Special Funds are calculated to, at all times, to be in an amount sufficient to pay interest and principal on the Bonds as and when due.

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 money 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 money in the Special Funds, will be available to satisfy that obligation. The Borrower's obligations pursuant to the Note and the Loan Agreement are non-recourse to the Borrower and its partners. 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. The funds on deposit in the Special Funds and the interest earnings thereon are calculated to be sufficient to pay the debt service on the Bonds.

Limited Security for Bonds

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

The Bonds are offered solely on the basis of the amounts held under the Indenture and are not offered on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the

Borrower is included in this Official Statement. The Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture and not on the credit of the Borrower, the feasibility of the Project or any other security.

The Bonds are not secured by the Mortgage Loan, any GNMA Certificate, the Project or any mortgage on the Project. 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

THE BONDS ARE NOT SUBJECT TO REDEMPTION UPON ANY DETERMINATION OF TAXABILITY OF INTEREST ON THE BONDS. IN ADDITION, THE RATE OF INTEREST ON THE BONDS IS NOT SUBJECT TO ADJUSTMENT BY REASON OF THE INTEREST ON THE BONDS BEING INCLUDED IN GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION. Such event could occur if the Borrower (or any subsequent owner of the Project) does not maintain the Project as a “qualified residential rental project” for the Qualified Project Period, or does not comply with other provisions of certain tax-related agreements executed in connection with the Bonds which are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excluded from gross income for federal income tax purposes. Failure to comply with such provisions could cause the interest on the Bonds to be or become taxable to the Holders for federal income tax purposes from the date of original issuance.

Issuer Limited Liability

The Bonds are special limited obligations of the Issuer payable solely from certain funds pledged to and held by the Trustee pursuant to the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein. The Bondholders will have no recourse to the 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 Land Use Restriction 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 money received by the Trustee for deposit into the Collateral Fund are required to be invested in Eligible Investments at the direction of the Borrower. See “APPENDIX A – Definitions of Certain Terms” hereto and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein for the definition of Eligible Investments.

Rating Based on Eligible Investments

The rating on the Bonds is based on their 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 Land Use Restriction Agreement contain provisions regarding subordination of such documents to the Mortgage Loan Documents and the Controlling HUD and GNMA Requirements. No assurance can be given that such provisions will not impair the excludability of interest on the Bonds from gross income for federal income tax purposes. See “HUD AND GNMA REQUIREMENTS TO CONTROL” herein.

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 or the Bonds offered hereby.

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 tax exempt 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

The spread of the strain of coronavirus commonly known as COVID-19 is altering the behavior of businesses and people in a manner that is having negative effects on global, state and local economies. There can be no assurances that the spread of a pandemic, including a strain of coronavirus known as COVID-19, will not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project’s operating and financial viability. This could include, among other things, the length of time necessary to complete the construction of the Project, suspension or delay of site inspections and other on-site meetings, the engagement of material participants in the Project, the length of 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 cover scheduled debt service payments on the Mortgage Loan and result in an 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.

UNDERWRITING

Raymond James & Associates, Inc. (the “Underwriter”) has entered into a Bond Purchase Agreement to purchase all of the Bonds, if any of the Bonds are to be purchased, at a price equal to the principal amount thereof.

The Bond Purchase Agreement provides that the Underwriter will receive compensation for its services from the Borrower in the amount of \$_____ inclusive of expenses (excluding fees of underwriter's counsel). The obligations of the Underwriter to pay for the Bonds are subject to certain terms and conditions set forth in the Bond Purchase Agreement. 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.

The Underwriter's obligations are subject to certain conditions precedent, and the Underwriter will purchase all the Bonds, if any are purchased. It is intended that the Bonds will be offered to the public initially at the offering price set forth on the cover page of this Official Statement and that such offering price subsequently may change without any requirement of prior notice.

The Underwriter may offer and sell Bonds that it purchases to certain dealers including dealer banks and dealers depositing Bonds into investment trusts and others at prices lower than the public offering prices stated on the cover of this Official Statement. The initial public offering prices of the Bonds may be changed from time to time by the Underwriter.

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.

In addition to serving as Underwriter, Raymond James & Associates, Inc. ("Raymond James") has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with the remarketing of the Bonds on the Initial Mandatory Tender Date.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed, and may in the future perform, various investment banking services either for the Issuer and/or the Borrower and affiliates thereof, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Issuer and/or the Borrower and affiliates thereof.

The Underwriter is not acting as financial advisor to the Issuer or the Borrower in connection with the offer and sale of the Bonds.

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.

REGISTERED INVESTMENT ADVISOR

Raymond James may also act as registered investment advisor to the Borrower in its capacity as bidding agent in conducting a procurement process for the purchase of open market securities to be held in the Bond Fund, Project Fund, and Collateral Fund. Raymond James may receive compensation for bidding agent services contingent on the sale and delivery of the Bonds.

TAX MATTERS

In the opinion of Bond Counsel (the proposed form of which is attached hereto as Appendix F) and subject to the caveats below, under existing statutes, regulations, rulings and judicial decisions, and assuming compliance

with certain covenants intended to assure compliance with the applicable provisions of the Code and the regulations thereunder, interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes, except that such exclusion does not apply with respect to interest on any Bond for any period during which such Bond is held by a person who is a “substantial user” of the Project or a “related person” within the meaning of Section 147(a) of the Code and the regulations thereunder. Bond Counsel is further of the opinion that interest on the Bonds is not an item of tax preference for purposes of calculating the alternative minimum tax provisions imposed on individuals and corporations.

Under Section 148 of the Code, interest on the Bonds will not be excluded from gross income for federal income tax purposes unless (i) the investment of the proceeds of the Bonds meets certain arbitrage requirements and (ii) certain “excess” earnings on such investments are rebated to the United States of America (collectively, the “Arbitrage Restrictions”).

The Code imposes various restrictions, conditions and requirements (including the Arbitrage Restrictions) relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Issuer and the Borrower have covenanted to comply with certain requirements designed to assure that interest paid on the Bonds will not become includable in gross income for federal income tax purposes. In concluding that the interest on the Bonds is not includable in gross income for federal income tax purposes, Bond Counsel will (i) rely as to certain factual matters upon representations and certifications of the Borrower with respect to the use of the proceeds of the Bonds and the design, scope, function, cost, reasonably expected remaining economic useful life and use of the facilities constituting the Project, without undertaking to verify the same by independent investigation, and (ii) assume the continued compliance by the Borrower with its covenants relating to the use of the proceeds of the Bonds and compliance with other requirements of the Code. The inaccuracy of any such representations, or noncompliance with such covenants, may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

Bond Counsel has not undertaken to determine or to inform any person as to whether any actions are taken (or not taken) or events occur (or do not occur) after the date of delivery of the Bonds which may affect exclusion from gross income of interest on the Bonds for federal income tax purposes.

From time to time, there have been legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted, it would apply to bonds issued prior to enactment. Each purchaser of the Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The accrual or receipt of interest on the Bonds may otherwise affect a Bondholder’s income tax liability. The nature and extent of these other tax consequences will depend upon the Bondholder’s particular tax status and the Bondholder’s other items of income and deduction. Bond Counsel expresses no opinion regarding such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations, and United States branches of foreign corporations), property and casualty insurance companies, banks, thrifts or other financial institutions, recipients of Social Security or Railroad Retirement benefits, or taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors concerning the tax consequences of purchasing and holding the Bonds.

Bond Counsel is also of the opinion that under the Act, interest on the Bonds is exempt from all state and local taxes in the State of Georgia. Each prospective purchaser of the Bonds should consult his or her own tax advisor as to the status of interest on the Bonds under the tax laws of any state other than the State of Georgia.

Bond Counsel expresses no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

THE TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON AN OWNER’S PARTICULAR SITUATION.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX IMPLICATIONS OF HOLDING AND DISPOSING OF THE BONDS UNDER APPLICABLE STATE OR LOCAL LAWS. FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO INVESTORS WHO ARE NOT U.S. PERSONS.

BOND COUNSEL'S OPINION IS BASED ON EXISTING LAW, WHICH IS SUBJECT TO CHANGE. SUCH OPINION IS FURTHER BASED ON BOND COUNSEL'S KNOWLEDGE OF FACTS AS OF THE DATE THEREOF. BOND COUNSEL ASSUMES NO DUTY TO UPDATE OR SUPPLEMENT ITS OPINION TO REFLECT ANY FACTS OR CIRCUMSTANCES THAT MAY THEREAFTER COME TO BOND COUNSEL'S ATTENTION OR TO REFLECT ANY CHANGES IN ANY LAW THAT MAY THEREAFTER OCCUR OR BECOME EFFECTIVE. MOREOVER, BOND COUNSEL'S OPINION IS NOT A GUARANTEE OF RESULT AND ARE NOT BINDING ON THE INTERNAL REVENUE SERVICE (THE "SERVICE"); RATHER, SUCH OPINIONS REPRESENT BOND COUNSEL'S LEGAL JUDGMENT BASED UPON ITS REVIEW OF EXISTING LAW AND IN RELIANCE UPON THE REPRESENTATIONS AND COVENANTS REFERENCED ABOVE THAT IT DEEMS RELEVANT TO SUCH OPINIONS. THE SERVICE HAS AN ONGOING AUDIT PROGRAM TO DETERMINE COMPLIANCE WITH RULES THAT RELATE TO WHETHER INTEREST ON STATE OR LOCAL OBLIGATIONS IS INCLUDABLE IN GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. NO ASSURANCE CAN BE GIVEN WHETHER OR NOT THE SERVICE WILL COMMENCE AN AUDIT OF THE BONDS. IF AN AUDIT IS COMMENCED, IN ACCORDANCE WITH ITS CURRENT PUBLISHED PROCEDURES THE SERVICE IS LIKELY TO TREAT THE ISSUER AS THE TAXPAYER AND THE OWNERS MAY NOT HAVE A RIGHT TO PARTICIPATE IN SUCH AUDIT. PUBLIC AWARENESS OF ANY FUTURE AUDIT OF THE BONDS COULD ADVERSELY AFFECT THE VALUE OF THE BONDS DURING THE PENDENCY OF THE AUDIT REGARDLESS OF THE ULTIMATE OUTCOME OF THE AUDIT.

RATING

The Bonds have been assigned the rating of "AA+" with stable outlook by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"). On August 5, 2011, S&P lowered the long-term sovereign credit rating of the United States of America to "AA+" from "AAA" but affirmed the "A-1+" short-term rating of the United States of America. No assurance can be given that the rating of the United States of America will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P. Any such downward revision or withdrawal of the rating of the United States of America may have an adverse effect on the market price of the Bonds.

The rating assigned to the Bonds reflects only the view of S&P, and an explanation of the significance of such rating may be obtained from S&P at 55 Water Street, 38th Floor, New York, New York 10041-0003. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P if in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

The Underwriter and the Issuer have undertaken no responsibility after issuance of the Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

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 beginning with the fiscal year ending December 31, 2022, and continuing with each fiscal year thereafter, 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.

VALIDATION

The State held proceedings in the Superior Court of Floyd County, Georgia to validate the Bonds and the security therefor. The State was the plaintiff in the proceedings, and the Issuer and the Borrower were the defendants. Under Georgia law, a judgment of validation must be entered prior to the issuance of the Bonds and such judgment, when entered, will be conclusive with respect to the validity of the Bonds and the security therefor against the Issuer and the Borrower. The validation hearing and the judgment of validation relating to the Bonds occurred on March 4, 2021.

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to approving opinions of Dinsmore & Shohl LLP, Atlanta, Georgia, as Bond Counsel. Certain legal matters will be passed upon for the Issuer by Brinson, Askew, Berry, Seigler, Richardson, & Davis, Rome, Georgia, for the Borrower by Gentry, Tipton & McLemore, P.C., Knoxville, Tennessee and Butler Snow LLP, Atlanta, Georgia. Kutak Rock LLP, Atlanta, Georgia, is serving as counsel to the underwriter. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

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

ABSENCE OF LITIGATION

The Issuer

There is no litigation pending or, to the knowledge of the Issuer, threatened seeking to enjoin the issuance, execution, or delivery of the Bonds, or in any way contesting or affecting any authority for the issuance, execution, or delivery of the Bonds, or the validity of the Bonds, or contesting the existence or powers of the Issuer with respect to the transactions contemplated in this Official Statement.

The Borrower

There is no litigation pending or, to the knowledge of the Borrower, threatened seeking to enjoin the Borrower's execution or delivery of the Loan Agreement, the Note, the Land Use Restriction Agreement or any other instrument or agreement to which the Borrower is a party and which is contemplated for use in the transactions contemplated by this Official Statement, or seeking to restrain or enjoin the Borrower's participation in such transactions or contesting the existence or powers of the Borrower with respect to the transactions contemplated by this Official Statement, or which in the aggregate could have a material adverse effect on the financial condition or the operations of the Borrower.

VERIFICATION REPORT

Causey, Demgen & Moore P.C., independent certified public accountants (the "Verifier"), concurrently with the issuance of the Bonds, will deliver to the Underwriter its verification report indicating that it has verified the arithmetical accuracy of certain computations provided by the Underwriter relating to the computation of forecasted receipts of principal and interest on the obligations and certain cash deposited as security for the Bonds,

and the forecasted payments of principal and interest to pay the Bonds at their redemption or maturity dates. All such computations have been based solely upon assumptions and information supplied by the Underwriter and reviewed and approved by the Borrower. The Verifier restricted its procedures to verifying the arithmetical accuracy of the computations described above and has not made any study or evaluation of the assumptions and information on which the computations are based, and the Verifier has not expressed any opinion on the data used, the reasonableness of the assumptions or the achievability of the forecasted outcomes.

HUD AND GNMA REQUIREMENTS AND MORTGAGE LOAN DOCUMENTS TO CONTROL

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

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

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

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

ADDITIONAL INFORMATION

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

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

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purpose. Any statements in 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.

* * * * *

The execution and delivery of this Official Statement and the incorporation of the appendices hereto have been duly authorized by the Borrower.

Dallas Manor, L.P.,
a Tennessee limited partnership

By: Dallas Manor GP, LLC, a Tennessee limited liability company, its General Partner

By: _____
Carey B. Parker
President

[Borrower Signature Page to Official Statement]

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

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

“*Act*” means the Housing Authorities Law, O.C.G.A. Section 8-3-1 et seq., as amended.

“*Act of Bankruptcy*” means 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 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 and the Dissemination Agent Fee.

“*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 general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, 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 \$5,000 in excess thereof.

“*Bank*” means a solvent commercial bank, trust company or financial institution in the business of issuing letters of credit and domiciled or authorized to transact business in the United States of America.

“*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 Dinsmore & Shohl LLP or such other counsel acceptable to the Issuer and the Trustee 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 or upon Mandatory Tender or acceleration or otherwise.

“Bond Purchase Agreement” means the Bond Purchase Agreement with respect to the purchase and sale of the Bonds, among the Underwriter, the Issuer and the Borrower.

“Bond Resolution” means, collectively, the resolutions adopted by the Governing Body relating to the issuance and sale of the Bonds.

“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 or acceleration.

“Bonds” means Northwest Georgia Housing Authority Multifamily Housing Revenue Bonds (Dallas Manor Apartments Project) Series 2021, authorized in the Bond Resolution and the Indenture in the amount of \$4,350,000*.

“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 Dallas Manor, L.P., 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 Designated Office of the Trustee or Remarketing Agent is located or authorized or obligated by law or executive order to be closed, or (b) The New York Stock Exchange is closed.

“Cash Flow Projection” means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrower and acceptable to the Remarketing Agent and the Rating Agency, establishing, to the satisfaction of the Remarketing Agent and the Rating Agency, the sufficiency of (a) the amount on deposit in the Special Funds, (b) projected investment income to accrue on amounts on deposit in the Project Fund and Collateral Fund 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 and (ii) a proposed remarketing of the Bonds, as provided in the Indenture.

“Closing Date” means the date of issuance of the Bonds.

* Preliminary; subject to change.

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

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

“**Collateral Payments**” means Eligible Funds paid by or for the benefit of the Borrower in respect to the repayment of the Loan, to the Trustee for deposit into the Collateral Fund pursuant to the Loan Agreement and the Loan Disbursement Procedures Agreement as a prerequisite to the advance of money in the Project Fund to make the Loan.

“**Completion Certificate**” means the Completion Certificate in the form attached to the Loan Agreement.

“**Completion Date**” means the date of completion of the Project evidenced in accordance with the requirements of the Loan Agreement.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement dated as of June 1, 2021 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.

“**Controlling HUD and GNMA Requirements**” means the National Housing Act and any applicable HUD or GNMA regulations, and related HUD or GNMA administrative requirements and prohibitions, including “Program Obligations” as defined in the HUD Regulatory Agreement.

“**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.

“**Cost,**” “**Costs,**” “**Costs of the Project**” or “**Project Costs**” with respect to the Project shall be deemed to include the cost of all items permitted to be financed under the provisions of the Act the payment of which will not result in a breach, default or other violation of the Tax Agreement.

“**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.

“**Dissemination Agent**” means the Trustee, 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.

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

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

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

- (a) the proceeds of the Bonds, including any additional amount paid to the Trustee by the Underwriter as a deposit to the Negative Arbitrage Account pursuant to the Bond Purchase Agreement;
- (b) amounts paid by the Lender to the Trustee representing funds of the Lender, funds from the Lender’s warehouse line or funds derived by the Lender from the issuance and sale of GNMA Certificates related to such advances as Collateral Payments;
- (c) amounts drawn by the Trustee on a Letter of Credit, if any, or other loan facility from a Bank;
- (d) remarketing proceeds 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), and any additional amount paid to the Trustee by the Remarketing Agent as a deposit to the Negative Arbitrage Account pursuant to the Remarketing Agreement;
- (e) any other amounts, including the proceeds of refunding bonds, for which, in each case, (i) the Trustee has received an Opinion of Counsel (which opinion may assume that no Holder or Beneficial Owner of Bonds is an “insider” within the meaning of the Bankruptcy Code) to the effect that (A) the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court and (B) payments of such amounts to Holders would not be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Issuer or the Borrower become a debtor in proceedings commenced under the Bankruptcy Code and (ii) the Trustee has received written confirmation from the Rating Agency that the use of such money would not result in a reduction or withdrawal of the then existing rating on the Bonds;
- (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 money described in (a) through (f).

“Eligible Investments” means any of the following investments which mature (or are redeemable at the option of the Trustee) at such time or times as to enable disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

- (a) Government Obligations;
- (b) State and Local Government Securities issued by the United States Department of Treasury as time deposits securities; and
- (c) to the extent permitted in the Indenture, shares or units in the Fidelity Institutional Money Market Treasury Only Portfolio or any other money market mutual fund rated “AAAm” by S&P (or if no fund is available at that rating category, the highest rating category then available for that category of fund, or if S&P is not the Rating Agency or a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund 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.

“Eligible Investments” shall not include the following: (1) any investment with a final maturity or any agreement with a term ending later than the earliest of (i) the current Mandatory Tender Date in effect at the time of investment or (ii) the Maturity Date and (2) any investment which may be prepaid or called at a price less than its purchase price prior to stated maturity.

“**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, to provide adequate additional funds for the payment of Bond Service Charges and Administrative Expenses during a Remarketing Period in connection with the change or extension of the Mandatory Tender Date pursuant to the Indenture, and (a) which shall be determined by a Cash Flow Projection approved in writing by the Rating Agency and (b) must consist of Eligible Funds.

“**Extraordinary Issuer Fees and Expenses**” means the expenses and disbursements payable to the Issuer under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Issuer, Bond Counsel and Issuer’s Counsel 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 Loan Agreement, other than Ordinary Services and Ordinary Expenses. Extraordinary Services and Extraordinary Expenses shall specifically include services rendered or expenses incurred by the Trustee or the Issuer in connection with, or in contemplation of, an Event of Default.

“**Extraordinary Trustee Fees and Expenses**” means the expenses and disbursements payable to the Trustee under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Trustee and the Trustee’s counsel which are to be paid by the Borrower pursuant to the Loan Agreement.

“**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).

“**FHA**” means the Federal Housing Administration of HUD or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD, the Federal Housing Commissioner and their representatives or agents.

“**FHA Commitment**” means the Commitment for Insurance of Advances, issued by FHA with respect to FHA Insurance on the Mortgage Loan, as the same may be amended.

“**FHA Insurance**” means the insurance of the Mortgage Loan by FHA pursuant to Section 221(d)(4) of the National Housing Act.

“**Financing Documents**” means the Indenture, the Bonds, the Loan Agreement, the Note, the Loan Disbursement Procedures Agreement, the Tax Agreement, the Land Use Restriction 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 GNMA Documents and the Mortgage Loan Documents.

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

“**GNMA**” means the Government National Mortgage Association, an organizational unit within HUD, or any successor entity and any authorized representatives or agents thereof, including the Secretary of HUD and his representatives or agents.

“**GNMA Certificate**” means a mortgage backed security issued by the Lender, guaranteed as to timely payment of principal and interest by GNMA pursuant to the National Housing Act and the regulations under the Indenture, and issued with respect to and backed by the Mortgage Loan.

“**GNMA Documents**” means any GNMA Certificate, the commitment issued by GNMA to the Lender to guarantee the GNMA Certificate and all other documents, certifications and assurances executed and delivered by the Lender, GNMA or the Borrower in connection with the GNMA Certificate.

“**Governing Body**” means the Board of Directors of the Issuer.

“**Government Obligations**” means direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of Treasury), and obligations on which the full and timely payment of principal and interest is unconditionally guaranteed by the United States of America.

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

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

“**HUD Regulatory Agreement**” means the Regulatory Agreement for Insured Multifamily Housing Projects between the Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“**Indenture**” means the Trust Indenture, dated as of June 1, 2021, between the Issuer and the Trustee, as amended or supplemented from time to time.

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

“**Initial Mandatory Tender Date**” means October 1, 2023*.

“**Interest Payment Date**” means (a) April 1 and October 1 of each year beginning October 1, 2021*, (b) each Mandatory Tender Date, (c) the Maturity Date and (d) the date of acceleration of the Bonds. In the case of insufficient funds to pay the purchase price on the Bonds following Mandatory Tender on the Initial Mandatory Tender Date, “Interest Payment Date” also means the first Business Day of each month as provided in the Indenture. 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 through and including the Initial Mandatory Tender Date, and thereafter the applicable Remarketing Rate.

“**Issuer**” means Northwest Georgia Housing Authority, a public body corporate and politic of the State of Georgia, or its successor.

* Preliminary; subject to change.

“Issuer Fees and Expenses” means an annual fee payable by the Borrower annually in arrears on the anniversary of the Closing Date, commencing on the Closing Date, to be paid to the Trustee and remitted to the Issuer by the Trustee pursuant to the Indenture, and the Extraordinary Issuer Fees and Expenses.

“Land Use Restriction Agreement” means the Land Use Restriction Agreement dated as of June 1, 2021, among the Issuer, the Borrower and the Trustee.

“Lender” means Walker & Dunlop, LLC, a limited liability company organized under the laws of the State of Delaware.

“Letter of Credit” means an irrevocable letter of credit issued by a Bank and authorizing drawings thereunder by the Trustee.

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

“Loan Agreement” means the Loan Agreement dated as of June 1, 2021, between the Issuer and the Borrower, and assigned by the Issuer, except for Reserved Rights to the Trustee, as amended or supplemented from time to time.

“Loan Disbursement Procedures Agreement” means the Loan Disbursement Procedures Agreement dated as of June 1, 2021 by and among the Borrower, the Lender, the Trustee, and various other parties, as amended, supplemented or restated from time to time, relating to the financing of Project Costs with proceeds of the Bonds in exchange for Collateral Payments.

“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 Eastern time (daylight or standard, as applicable) in Rome, Georgia.

“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 Bonds Outstanding on the Initial Mandatory Tender 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 October 1, 2024*.

“Mortgage Loan” means the mortgage loan to be made from the Lender to the Borrower in the principal amount of \$5,241,381* with respect to the Project, as described and provided for in the FHA Commitment.

“Mortgage Loan Documents” means the mortgage, mortgage note, HUD Regulatory Agreement and all other documents required by the Lender and/or HUD 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 Exhibit A and in the principal amount of \$4,350,000*, evidencing the obligation of the Borrower to make Loan Payments.

* Preliminary; subject to change.

“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 and the Issuer, with experience in the matters to be covered in the opinion.

“Ordinary Services” and **“Ordinary Expenses”** mean those services normally rendered, and those expenses, including expenses of counsel, normally incurred, by an issuer or 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.

“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, revised and updated from time to time.

“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 40-unit residential rental housing project located in Dallas, Georgia, known as Dallas Manor Apartments.

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

“Rating Agency” means any national rating agency then maintaining a rating on the Bonds, and initially means S&P.

“Rebate Fund” means the Rebate Fund created in 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 fifteenth day of the calendar month preceding an Interest Payment Date.

“Remarketing Agent” means Raymond James & Associates, Inc. or any successor as Remarketing Agent designated in accordance with the Indenture.

“Remarketing Agreement” means the Remarketing Agreement, dated as of June 1, 2021, by and between the Borrower and the Remarketing Agent, as amended, supplemented or restated from time to time, or any agreement entered into in substitution therefor.

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

“Remarketing Expenses” means the costs and expenses, other than Administrative Expenses, incurred by the Trustee and its counsel, the Remarketing Agent and its counsel, the Issuer and its counsel, and Bond Counsel in connection with the remarketing of the Bonds, including bond printing and registration costs, costs of funds advanced by the Remarketing Agent, registration and filing fees, rating agency fees, the costs of any cash flow verification reports and other costs and expenses incurred in connection with or properly attributable to the remarketing of Bonds as certified to the Trustee by the Remarketing Agent in writing.

“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 Bonds then Outstanding from and including each Remarketing Date to, but not including, the next succeeding Remarketing Date or the final Maturity Date of the Bonds, as applicable.

“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, 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, 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 inspection rights of the Issuer; (f) all rights of the Issuer in connection with any amendment to or modification of the Financing Documents; and (g) all enforcement remedies with respect to the foregoing.

“Revenues” means (a) the Loan Payments, (b) the Collateral Payments, (c) all other money received or to be received by the Issuer or the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Special Funds, and (e) 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 or Additional Payments.

“S&P” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, 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.

“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 Georgia.

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

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

“Tax Agreement” means the Tax Regulatory Agreement and No-Arbitrage Certificate, dated as of June 1, 2021, by and between 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, as described under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – General” herein.

“Trustee” means U.S. Bank 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 Raymond James & Associates, Inc.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

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

The following funds and accounts will be established 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 (if funds are deposited therein);
- (d) the Collateral Fund;
- (e) the Rebate Fund; and
- (f) the Expense Fund (if funds are deposited therein).

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 adequate 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 result in commingling of funds not permitted under the Indenture.

Bond Fund

On the Closing Date, there shall be deposited in the Bond Fund, from the proceeds of the sale of the Bonds, any accrued interest paid with respect to the Bonds, and in the Negative Arbitrage Account of the Bond Fund the initial deposit amount provided in the Indenture. The portion of any Extension Payment received by the Trustee in connection with a remarketing of the Bonds designated for the payment of Bond Service Charges will 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 due, all Loan Payments under the Loan Agreement are to 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 Bond Service Charges due on the Bonds on such Interest Payment Date.

The Bond Fund (and accounts therein for which provision is made in the Indenture) and the money and Eligible Investments 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, in the following order: (a) from money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of Bond Service Charges), (b) from the money on deposit in the Bond Fund, other than the Negative Arbitrage Account thereof, (c) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, (d) from money on deposit in the Project Fund and transferred as necessary to the Bond Fund, and (e) from money on deposit in the Negative Arbitrage Account of the Bond Fund (to pay all Bond Service Charges). Such amounts shall be credited to the Borrower in connection with Bond Service Charges otherwise due.

Project Fund

Upon the deposit of Collateral Payments, money in the Project Fund shall be disbursed in accordance with the provisions of the Loan Agreement and the Indenture. The Trustee may conclusively rely on any disbursement request received pursuant to the Loan Agreement as to the appropriateness of the expenses specified therein and the sufficiency of such request with respect to the requirements of the Loan Agreement. 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 from the Collateral Fund to the Project Fund. The Trustee shall be irrevocably and unconditionally obligated to (i) disburse Bond proceeds from the Project Fund equal to the amount deposited to the Collateral Fund to or at the written direction of the Lender or Borrower, as applicable, or (ii) return to the Lender or the Borrower, as applicable, the amount deposited in the Collateral Fund, within one Business Day of receipt of such deposit. To the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund or 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 on each Interest Payment Date without further written direction.

The Trustee shall cause to be kept and maintained adequate records pertaining to the Project Fund and all disbursements therefrom. If requested by the Issuer, the Investor Limited Partners or the Borrower, after the Project has been completed and a Completion Certificate is filed as provided in the Indenture, the Trustee shall file copies of the records pertaining to the Project Fund and disbursements therefrom with the Borrower and the Investor Limited Partners. The Trustee shall satisfy this obligation by providing trust statements for all periods in which there are funds in the Project Fund.

Notwithstanding any provision of the Loan Agreement or any other provision of the Indenture to the contrary and except to make necessary interest payments and except for the transfer of excess proceeds in accordance with the Loan Agreement, the Trustee shall not disburse money from the Project Fund, other than to pay Bond Service Charges on the Bonds, unless and until Collateral Payments or other Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited in the Collateral Fund. Prior to making any disbursement (except to the extent necessary to pay Bond Service Charges), the Trustee shall determine that the aggregate principal amount that will be held in (a) the Collateral Fund and (b) the Project Fund, after the anticipated disbursement, is at least equal to the then-Outstanding principal amount of the Bonds.

On the earlier of a Mandatory Tender Date with respect to which the Bonds are not remarketed or the Maturity Date, any money remaining in the Project Fund shall be transferred to the Bond Fund.

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

Collateral Fund

The Trustee shall deposit into the Collateral Fund all Collateral Payments 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 Lender to make Collateral Payments to the Trustee for deposit into the Collateral Fund in a principal amount equal to, and as a prerequisite to the disbursement of, the amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to finance Costs of the Project.

The Trustee shall transfer money in the Collateral Fund as follows: (a) on each Bond Payment Date, to the Bond Fund the amount necessary to pay Bond Service Charges on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund); (b) on the Mandatory Tender Date, to the Bond Fund, the amount necessary to pay the purchase price of the Bonds, to the extent the Bonds are not remarketed on any Mandatory Tender Date or amounts on deposit in the Remarketing Proceeds Account of the Bond Fund are insufficient therefor; and (c) on the Maturity Date of the Bonds, to the Bond Fund the amount necessary to pay all amounts due on the Bonds on such date.

On the earlier of the Maturity Date or any Mandatory Tender Date with respect to which the Bonds are not remarketed, the Trustee shall transfer all amounts then on deposit 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 Costs of the Project 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 or the principal component of the tender price of any of the Bonds, all as provided in the Indenture.

Expense Fund

The portion of any Extension Payment received by the Trustee in connection with an extension of the Mandatory Tender Date designated for the payment of Administrative Expenses shall also be deposited in the Expense Fund. The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, on the dates specified below, in the following order of priority:

- (a) to transfer money to the Rebate Fund to the extent necessary to pay the Rebate Amount (if any);
- (b) to pay the Ordinary Trustee's Fees and Expenses when due;
- (c) to pay the Dissemination Agent Fee when due; and
- (d) to pay the Issuer Fees and Expenses when due.

To the extent money in the Expense Fund is not sufficient to pay the foregoing fees and expenses, such deficiency shall be paid by the Borrower pursuant to the Loan Agreement immediately upon written demand.

Investment of Special Funds

Except as otherwise described under this heading, money 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 Borrower direct that any funds constituting gross proceeds of the Bonds (including, without limitation, moneys deposited in or credited to the Collateral Fund and the Negative Arbitrage Account) be used in any manner as would constitute failure of compliance with Section 148 of the Code.

In the absence of written directions of the Authorized Borrower Representative, as described above, the Trustee shall be required to invest in investments described in clause (c) of the definition of Eligible Investments under the Indenture.

Investments of money in the Bond Fund and the Collateral Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts necessary to provide money to pay Bond Service Charges on the Bonds as they become due on each Interest Payment Date or at stated maturity or a Mandatory Tender. Each investment of money in the Project Fund shall mature or be redeemable at the option of the Trustee at the times and in the amounts as may be necessary to make payments or transfers from the Project Fund as required by the Indenture, including, without limitation any transfer to the Bond Fund for the purpose of paying Bond Service Charges. Any of those investments may be purchased from or sold to the Trustee, or any bank, trust company, securities firm or savings and loan association which is an Affiliate of the Trustee and the Trustee may charge the customary fees in connection therewith. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable hereunder 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 money credited to the Special Funds shall constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund and the Collateral Fund shall be allocated to the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Special Funds shall be credited to and become part of the Bond Fund. All gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. Any investment losses from moneys credited to a Fund shall be charged against the respective Fund. The Trustee shall not be liable for losses on investments made in compliance with the provisions of the Indenture.

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 and the Borrower specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of at least a majority in aggregate principal amount of Bonds then Outstanding; and
- (d) The occurrence and continuance of an Event of Default as defined in the Loan Agreement.

Upon the occurrence of an Event of Default described in (a) or (b) above, the Trustee may declare, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding the Trustee shall declare, by a notice in writing delivered to the Borrower and the Issuer, the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately; provided, however, that the Trustee shall make such declaration only if the Trustee has determined that it will have sufficient funds available to pay the full amount of the principal and accrued but unpaid interest to the Holders of the Bonds as of the date of acceleration. If the Trustee is unable to determine that sufficient funds will be available, the Trustee shall declare the principal of the Bonds immediately due and payable only upon the written direction of all Holders of the Bonds then outstanding. Upon the occurrence of any Event of Default other than

those described in (a) or (b) above, the Trustee may, and upon the written consent of all Holders of Bonds then Outstanding shall, declare by a notice in writing delivered to the Borrower, the principal of all Bonds then Outstanding (if not then due and payable), and the interest thereon, to be due and payable immediately. Upon such declaration, that principal and interest shall become and be due and payable immediately. Interest on the Bonds shall accrue to the date determined by the Trustee for the tender of payment to the Holders pursuant to that declaration; provided, that interest on any unpaid principal of Bonds Outstanding shall continue to accrue from the date determined by the Trustee for the tender of payment to the Holders of those Bonds.

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

(a) all sums payable hereunder (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.

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

Other Remedies; Rights of Holders

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 Land Use Restriction 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 by the Holders of at least 50% in aggregate principal amount of Bonds Outstanding, the Trustee shall exercise any rights and powers conferred by the Indenture as described above.

Notwithstanding anything contained in the Indenture to the contrary, the Issuer may independently enforce any of its Reserved Rights, in its sole discretion without the consent or further action of the Trustee or the Holders.

Rights of Holders to Direct Proceedings

The Holders of a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct, by an instrument or document in writing executed and delivered to the Trustee, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or any other proceedings thereunder; 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

If at any time after the occurrence of an Event of Default the money held by the Trustee under the Indenture shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable, such money, together with any money then available or thereafter becoming available for such purpose, whether through the exercise of remedies provided under the Indenture or otherwise, shall, be applied by the Trustee as set forth below.

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

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all 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, 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 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 under the Indenture, or for the exercise of any other remedy hereunder, unless:

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

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

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

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, the Trustee and the Holders shall be restored to their former positions and rights hereunder, 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 hereinafter provided, at any time, in its discretion, the Trustee may waive any Event of Default hereunder 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 Bonds then Outstanding 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 Bonds then Outstanding, 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 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 provided in the Indenture for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default 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 hereunder, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Notwithstanding anything in the Indenture to the contrary, in no event shall the Trustee waive any Event of Default based upon any Reserved Rights without the prior written consent of the Issuer.

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 the Trustee, be inconsistent with the terms and provisions Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) To assign additional revenues under the Indenture;
- (d) To accept additional security and instruments and documents of further assurance with respect to the 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 obtain and/or maintain the rating on the Bonds;

(l) To make amendments to the provisions of the Indenture relating to arbitrage matters under Section 148 of the Code, if, in the Opinion of Bond Counsel, those amendments would not 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; or

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

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, 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 this section 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 Bonds then Outstanding, (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 described therein, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required, 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 Bonds then Outstanding at their addresses as they appear on the Register at the close of business on the fifteenth day preceding that mailing.

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

If the Trustee shall receive, within a period 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 Bonds then Outstanding (which instrument or document or instruments or documents shall refer to the proposed Supplemental Indenture in the form described in the notice and specifically shall consent to the Supplemental Indenture in substantially that form), the Trustee shall, but shall not otherwise, execute and deliver the Supplemental Indenture in substantially the form to which reference is made in the notice as being on file with the Trustee, without liability or responsibility to any Holder, regardless of whether that Holder shall have consented thereto.

Any consent shall be binding upon the Holder of the Bond giving the consent and, anything in the Indenture 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 Bonds Outstanding shall have consented to the Supplemental Indenture, as provided in this section, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

Consent of Borrower and Investor Limited Partners

Anything contained in the Indenture to the contrary notwithstanding, and provided that no Event of Default has occurred and is continuing under the Indenture, any 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 Partners shall have consented in writing to the execution and delivery of that Supplemental 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 Land Use Restriction Agreement and the Note, then the Indenture shall cease, determine and become null and void (except for those provisions surviving 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 hereunder 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), 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, and

(b) 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 to be held by the Trustee for the payment of Bond Service Charges, as more specifically set forth in the Indenture.

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, 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, in trust for and irrevocably committed thereto, noncallable Government Obligations which are certified by an Independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates, and to 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 in the Indenture), for the payment of all Bond Service Charges on those Bonds at their maturity.

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 as described above, 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, repayments to the Borrower from the Bond Fund 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, but shall terminate effective automatically upon payment in full by the Borrower of all fees and expenses owed by the Borrower to the Trustee as of the date of termination of the Indenture.

HUD Loan Documents and Regulations Control

In the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of the Indenture or any of the Financing Documents, other than any provisions relating to the indemnification or limited obligation of the Issuer, and the provisions of the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, the Controlling HUD and GNMA Requirements and Mortgage Loan Documents will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the Controlling HUD and GNMA Requirements and Mortgage Loan Documents, as applicable.

Enforcement of the covenants in the Indenture will not result in, and neither the Issuer nor the Trustee has or shall be entitled to assert, any claim against the Project, the Mortgage Loan proceeds, any reserves or deposits

required by HUD in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Project other than available "Surplus Cash" as defined in the HUD Regulatory Agreement.

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

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 of 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 upon the deposit of the proceeds of the Bonds with the Trustee. The Loan shall be evidenced by the Note payable 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 Collateral Payments, the Borrower shall simultaneously with the execution and delivery of the Indenture, proceed with obtaining the Mortgage Loan from the Lender and entering into the Loan Disbursement Procedures Agreement with the Lender and the Trustee. In particular, the Borrower will promptly take all necessary actions on its part to close the Mortgage Loan and satisfy all other terms and conditions of the FHA Commitment and the requirements of the Lender.

Disbursements from the Project Fund

Subject to the provisions below and so long as no Event of Default under the Loan Agreement has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to the Loan Agreement or the Indenture, disbursements from the Project Fund shall be made only to finance Project Costs.

Any disbursements from the Project Fund to finance Project Costs shall be made by the Trustee only upon the receipt by the Trustee of: (a) a disbursement request in the form attached to the Loan Agreement; and (b) Collateral Payments in an amount equal to the amount of any such disbursement request for deposit in the Collateral Fund as provided in the Indenture and the Loan Agreement. The Borrower acknowledges and agrees that it shall submit disbursement requests to the Trustee no more frequently than once each calendar month.

The Borrower's right to request disbursements for the Project Fund is limited to the principal amount of the Loan, which may be less than the principal amount of the Mortgage Loan.

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 provided the Borrower obtains an opinion of Bond Counsel that such deposit will not adversely affect the Federal Tax Status of the Bonds.

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 Eligible Funds in the Collateral Fund plus Eligible Funds in 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 the Bonds in excess of the amounts deposited in the Costs of Issuance Fund. 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 Issuer and the Trustee of the Completion Date by the delivery of a Completion Certificate signed by the Authorized Borrower Representative substantially in the form attached 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 the Completion Certificate.

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, a Loan Payment, equal to the amount necessary to pay Bond Service Charges due on such 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 available money in the Bond Fund or money transferred thereto from the Collateral Fund or the Project Fund for the payment of Bond Service Charges on that date.

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

The Note shall secure equally and ratably all Outstanding Bonds, except that, so long as no Event of Default has occurred and is continuing 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 that 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.

Collateral Payments

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund to finance Costs of the Project, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall direct the Lender, pursuant to the terms of the Loan Disbursement Procedures Agreement, to deliver or cause to be delivered to the Trustee not later than 10:00 a.m., Local Time, on the date of each such disbursement, Collateral Payments equal to the amount of the proposed disbursement. All such Collateral Payments shall be paid to the Trustee for the

account of the Issuer and shall be held in the Collateral Fund and disbursed in accordance with the provisions of the Indenture.

Notwithstanding any provisions to the contrary, upon receipt of a Collateral Payment from Lender, the Trustee shall be unconditionally and irrevocably obligated to promptly disburse funds in the same amount from the Project Fund in accordance with the applicable requisition, but the Trustee shall only be obligated to make such a disbursement to the extent of the amount of proceeds of the Bonds remaining in the Project Fund, and if the Trustee received a Collateral Payment in excess of the available amount, the Trustee shall promptly return the excess to the Lender.

Additional Payments

The Borrower shall pay as Additional Payments under the Loan Agreement the following:

(a) Whether out of the proceeds of the Mortgage Loan or other funds, all Costs of Issuance of the Bonds, the costs of obtaining the FHA Insurance and all expenses incurred in closing the Mortgage Loan.

(b) All Extension Payments and other sums required under the Indenture in order to revise or extend the Mandatory Tender Date or remarket the Bonds, and the Borrower further agrees to execute any and all certificates required by the Issuer, the Trustee or the Remarketing Agent in order to effectuate such revision, extension or remarketing.

(c) To the Trustee, (i) the Ordinary Trustee Fees and Expenses to the extent that the funds available in the Expense Fund for the payment thereof are not sufficient and available therefor and (ii) the Extraordinary Trustee Fees and Expenses.

(d) To the Issuer, the Extraordinary Issuer's Fees and Expenses.

(e) All costs of printing any replacement Bonds required to be issued under the Indenture to the extent such costs are not paid by the Holders.

(f) To the extent not paid by the Trustee from the Expense Fund, all of the fees and expenses of any necessary consultant employed by the Borrower, the Trustee or the Issuer in connection with any of the requirements imposed by the Indenture and the Tax Agreement to the extent funds available under the Indenture are not sufficient and applied therefor. The Borrower shall provide or cause to be provided all information and money to the Trustee to enable the Trustee to comply with the Indenture and the Tax Agreement.

(g) To the Dissemination Agent, the Dissemination Agent Fee, to the extent funds available in the Expense Fund under the Indenture are not sufficient and applied therefor, as well as any other costs and expenses in order to provide for compliance with the terms of the Continuing Disclosure Agreement.

(h) To the Remarketing Agent, the Remarketing Agent Fee and any Remarketing Expenses.

In the event the Borrower is in default under any provision of any of the Borrower Documents and such default is not cured after the expiration of all applicable notice and cure provisions, the Borrower shall be liable to, and upon demand shall pay to, the Issuer, the Trustee and the Lender all reasonable fees and disbursements of such persons and their agents (including attorneys' fees and expenses) which are reasonably connected therewith or incidental thereto except to the extent such fees and disbursements are paid from money available therefor under the Indenture.

To provide for certain of the anticipated Additional Payments, the Borrower agrees to cause to be deposited a portion of the Initial Borrower Deposit into the Costs of Issuance Fund and the Expense Fund as required under the Indenture, and authorizes the Trustee to pay, from money on deposit in the Costs of Issuance Fund and the

Expense Fund, the amounts provided to be paid from the Costs of Issuance Fund and the Expense Fund in accordance with the Indenture. All such amounts shall be paid directly to the parties entitled thereto for their own account as and when such amounts become due and payable.

Upon the payment, prepayment, or incurrence of any such cost, expense, or liability described in this section by any such party, the Additional Payments in respect thereof shall be payable upon written demand to the Borrower, which demand shall be accompanied by invoices or other appropriate documentation concerning the nature, amount and incurrence of such cost, expense or liability. If the Additional Payments payable under this section are not paid upon such demand, such Additional Payments shall bear interest from the date of such payment or the incurrence thereof at the Interest Rate for Advances until the amount due shall have been fully paid.

Except as otherwise provided in the Loan Agreement, the obligations of the Borrower described above shall survive the termination of the Loan Agreement and the payment and performance of all of the other obligations of the Borrower hereunder and under the other Borrower Documents, unless and until the Borrower has transferred the Project to an unaffiliated entity with the prior written consent of the Issuer, which transferee assumes the obligations of the Borrower pursuant to the Loan Agreement. The payment obligations of the Borrower are non-recourse to the Borrower and its partners as provided for in the Loan Agreement.

Prepayment

The Loan is not subject to prepayment.

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 Special Funds as provided in the Indenture for the purpose of paying the purchase price of such Bond, the Borrower will cause to be paid to the Trustee by the applicable times provided in the Indenture, an amount equal to the amount by which the principal amount of all Bonds tendered and not remarketed, together with interest accrued to the Mandatory Tender Date, exceeds the amount otherwise available pursuant to the Indenture.

Option to Terminate

The Borrower shall have the option to cancel or terminate the Loan Agreement at any time when (a) the Indenture shall have been released in accordance with its provisions, and (b) sufficient money or security acceptable to the Issuer and the Trustee are on deposit with the Trustee or the Issuer, or both, to meet all Loan Payments 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 and the Issuer 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:

(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 Borrower receives ten (10) days prior written notice that amounts on deposit in the Bond Fund, including amounts credited as paid and/or 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 and the continuation of such failure for a period of 30 days after written

notice thereof shall have been given to the Borrower 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 90 days; (iv) make an assignment for the benefit of creditors; or (v) have a receiver or trustee appointed for it or for the whole or any substantial part of its property which appointment is not vacated within a period of 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;

(e) There shall occur an "Event of Default" as defined in the Indenture; and

(f) There shall occur a default under the Land Use Restriction Agreement that is continuing after any applicable notice and cure period.

Notwithstanding the foregoing, if, by reason of Force Majeure, the Borrower is unable to perform or observe any agreement, term or condition of the Indenture which would give rise to an Event of Default under subsection (b) hereof, 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 continuing, 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 until 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;
- (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 Land Use Restriction 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, the Issuer shall not 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 satisfactory indemnity has been furnished to the Issuer at no cost or expense to the Issuer or the Trustee. Any amounts collected as Loan Payments or applicable to Loan Payments and any other amounts which would be applicable to payment of Bond Service Charges collected pursuant to action taken as described in 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 described above 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) above 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 Land Use Restriction 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 hereof 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.

Mortgage Loan Documents and Regulations Control

In the event of any conflict and to the extent that there is any inconsistency or ambiguity between the provisions of the Loan Agreement and the provisions of the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, the Controlling HUD and GNMA Requirements and Mortgage Loan Documents will be deemed to be controlling, and any such ambiguity or inconsistency will be resolved in favor of, and pursuant to the terms of the Controlling HUD and GNMA Requirements and Mortgage Loan Documents, as applicable.

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

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

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENT

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

Definitions

For purposes of this Appendix D, certain capitalized terms used in this Appendix D shall have the following meanings:

“Area Median Gross Income” means the median income in the geographic area (as determined for purposes of Section 142(d) of the Code) in which the Residential Rental Property is located, as determined annually by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 (or, if such program under Section 8 is terminated, under such program in effect immediately before such termination). Any determination of Area Median Gross Income shall be made in accordance with and subject to the requirements of Sections 142(d)(2)(B) and 142(d)(2)(E) of the Code.

“Assumption Agreement” means an agreement or undertaking, acceptable to the Issuer in form and substance, by any transferee, pursuant to a Transfer, to assume the obligations and duties of the Owner described in the Land Use Restriction Agreement and the Loan Agreement and the Mortgage Loan Documents.

“Available Units” means Residential Rental Units that are actually occupied or that are unoccupied and have been leased at least once after first becoming available for occupancy, provided that (a) in the case of an acquisition of an existing facility for the purpose of establishing or continuing a qualified residential rental project under Section 142(d) of the Code, a Residential Rental Unit that is unoccupied on the later of (i) the date such facility is acquired or (ii) the issue date of the first issue of Qualified 142(d) Bond financing the acquisition of such facility is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such date, and (b) a Residential Rental Unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such renovations are completed.

“Bond Counsel” means Dinsmore & Shohl LLP or any other nationally recognized bond counsel experienced in municipal finance acceptable to the Issuer and, particularly, in the issuance of debt the interest on which is excludible from gross income for federal income tax purposes.

“Certification of Income” means a certification, including all necessary information and documentation deemed necessary by the Owner, the Issuer or the Internal Revenue Service, to substantiate the amount of income of all residents of a Residential Rental Unit, given by a prospective or current Qualified Tenant. The Certification of Income shall comply with the requirements, if any, of the Issuer and on such form as required, if any, by the Issuer.

“Code” means the Internal Revenue Code of 1986, the applicable regulations (whether proposed, temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices and procedures regarding any of the foregoing. Unless otherwise indicated, reference to a Section of the Code means that Section of the Code, including such applicable regulations, rulings, announcements, notices and procedures.

“HUD Regulatory Agreement” means the Regulatory Agreement between the Owner and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

“Limited Partner” means the “Investor Limited Partners,” as defined under “PRIVATE PARTICIPANTS – The Borrower” in this Official Statement.

“Low and Moderate Income” means income that does not exceed 60% of the Area Median Gross Income, with appropriate adjustments to income level made for family size, as determined in a manner consistent with the determinations of lower income families and area median gross income under Section 8 (or, if such program under Section 8 is terminated, under such program in effect immediately before such termination), all as made in accordance with and subject to the requirements of Section 142(d)(2)(B) of the Code. For these purposes, income shall be treated as not exceeding 60% of the Area Median Gross Income, with appropriate adjustments to income level made for family size, if the relevant individual’s or family’s adjusted income (computed in the manner described in Treas. Reg. § 1.167(k)-3(b)(3) prior to its removal by T.D. 8474, 1993-1 C.B. 242) does not exceed 60% of the applicable Area Median Gross Income.

“Occupancy Standards” means the requirement that at least 40% of the Available Units must be actually occupied by (or treated as occupied by, as provided in the Land Use Restriction Agreement) Qualified Tenants. An Available Unit shall be treated as “occupied” by a Qualified Tenant during the applicable tenancy for purposes of the Occupancy Standards if the tenant of such Unit was a Qualified Tenant at the commencement of his or her actual occupancy of the Unit, even though such tenant ceases to be a Qualified Tenant because he or she ceases to have Low and Moderate Income, provided that the second sentence of paragraph (q) of Section 7 below does not apply to such tenant. Moreover, if an Available Unit vacated by a Qualified Tenant was actually occupied by a Qualified Tenant at the commencement of such Qualified Tenant’s occupancy of such Unit, such Unit shall be treated as occupied by a Qualified Tenant until reoccupied, excluding any reoccupation for a temporary period of not more than thirty-one (31) days. The character of any Available Unit described in the immediately preceding sentence shall be redetermined upon expiration of the thirty-one (31)-day period. In calculating the foregoing 40% requirement, if the resulting number of Available Units contains a fraction, it shall be rounded up to the next highest whole number.

“Purpose Investment” means an investment acquired to carry out the governmental purpose of the Bonds, as described in Treas. Reg. § 1.148-1(b).

“Qualified 142(d) Bond” means obligations that satisfy the requirements of Sections 103 and 142(d) of the Code.

“Qualified Project Period” means the period commencing on the later of the first day on which at least 10% of the Residential Rental Units in the Residential Rental Property are occupied or the issue date of the Qualified 142(d) Bond issued to acquire such facility and ending on the latest of the following: (A) the date that is fifteen years after the date on which at least 50% of the Residential Rental Units in the facility are first occupied; (B) the first day on which no tax-exempt private activity bond (as defined in Section 141(a) of the Code) issued with respect to the facility is outstanding; or (C) the date on which any assistance provided with respect to the facility under Section 8 terminates.

“Qualified Tenant” means any individual or family with Low and Moderate Income. However, if all the occupants of a Residential Rental Unit are Students, such individuals may not be treated as Qualified Tenants. Subject to the preceding two sentences, “Qualified Tenant” may include any individual who is (i) a student and receiving assistance under Title IV of the Social Security Act, (ii) a student who was previously under the care and placement responsibility of the state agency responsible for administering a plan under part B or part E of Title IV of the Social Security Act or (iii) enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, state or local laws.

“Related Person” means an individual or entity who, concerning the referenced party, is described in Section 147(a)(2) of the Code.

“Residential Rental Property” means the Real Estate or any other building or structure containing one or more similarly constructed Residential Rental Units used for the Project, including facilities functionally related and subordinate thereto, as provided in Treas. Reg. § 1.103-8(b).

“Residential Rental Unit” means a housing unit containing separate and complete living, sleeping, eating, cooking and sanitation facilities for a single person or a family. Such housing unit shall contain a kitchen that includes a stove, cooking range, full-size refrigerator and sink. A housing unit, however, shall not fail to be treated

as a “Residential Rental Unit” merely because it is a single-room occupancy unit (within the meaning of Section 42 of the Code).

“Residual Receipts” has the meaning specified in the HUD Regulatory Agreement.

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

“Student” means any full-time student (within the meaning of Section 42(i)(3)(D) of the Code) unless he or she is described in Section 42(i)(3)(D)(ii) of the Code.

“Substantial Rehabilitation” means the acquisition of an existing facility to be used as a Residential Rental Property where more than 90% of the Residential Rental Units in the facility are not Available Units at any time within 60 days after the later of (1) the date the facility is acquired or (2) the issue date of the first issue of Qualified 142(d) Bond financing the acquisition of such facility.

“Surplus Cash” has the meaning specified in the HUD Regulatory Agreement.

“Transfer” means any conveyance, transfer, whether by sale, exchange, gift or assignment or other disposition of a facility.

“Transition Period” means the twelve months beginning on the date of issuance of the first Qualified 142(d) Bond, but only if the proceeds of the Qualified 142(d) Bond finance the acquisition, rehabilitation and equipping (other than a Substantial Rehabilitation) of an existing Residential Rental Property.

Qualified Residential Rental Property Requirements

The Borrower represents, warrants and covenants that the Project shall, throughout the Qualified Project Period, unless the Land Use Restriction Agreement is earlier terminated pursuant to “Termination” below, satisfy the following terms and conditions, limitations and restrictions:

(a) Satisfaction of Applicable Legal Requirements. The Project is being acquired, rehabilitated and equipped for the purpose of providing multifamily Residential Rental Units, and the Project shall be owned, managed and operated as multifamily Residential Rental Units, all in accordance with the qualified residential rental project requirements of Section 142(d) of the Code and the applicable residential rental project provisions of Treas. Reg. § 1.103-8(b) and the administrative guidance issued thereunder;

(b) Similarly Constructed Residential Rental Units. All of the Residential Rental Units in the Project shall be similarly constructed;

(c) Transient Use. During the term of the Land Use Restriction Agreement, (i) none of the Residential Rental Units in the Project shall at any time be utilized on a transient basis, (ii) none of the Residential Rental Units in the Project shall ever be leased or rented for a period of less than thirty (30) days and (iii) neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer court or park or for any other use on a transient basis;

(d) General Public Availability. During the term of the Land Use Restriction Agreement, (i) the Residential Rental Units in the Project shall be leased and rented or made available for rental on a continuous basis to members of the general public except as otherwise permitted by HUD and applicable federal, state or local law, and (ii) the Borrower shall not give preference in renting Residential Rental Units in the Project to any particular class or group of persons, other than Qualified Tenants as provided in the Land Use Restriction Agreement; provided, however, that Residential Rental Units in the Project may be occupied by maintenance, security or managerial employees of the Borrower or its property manager who are reasonably required to maintain residences in the Project, but only to the extent such occupation does not cause the Project to cease to be a qualified residential rental project under Section 142(d) of the Code;

(e) Use of Related Facilities by Tenants. Any functionally related and subordinate facilities (e.g., parking areas, laundry facilities, tenant offices, physical therapy rooms, dining rooms, meeting rooms, common areas, swimming pools, tennis courts, etc.) the acquisition, rehabilitation and equipment of which are allocated to the Bonds (the "Related Facilities") for the Project will be made available to all tenants of the Project on an equal basis. Fees charged to residential tenants for use of the Related Facilities will be commensurate with fees charged for similar facilities at similar residential rental properties in the surrounding area and, in no event will any such fees charged to tenants of the Project be discriminatory or exclusionary as to the Low and Moderate Income tenants of the Project. Parking, if available, will be made available to all tenants on a first come, first served basis;

(f) Leasing of Project Facilities. During the term of the Land Use Restriction Agreement, the Borrower shall not: (1) except upon a sale or transfer of the Project in accordance with the terms of the Land Use Restriction Agreement, and except with respect to the financing of the Project, encumber any portion of the Project or grant commercial leases of any portion thereof or permit the conveyance, transfer or encumbrance of any portion of the Project (except for apartment leases), it being understood that the terms of the financing will be subordinate to the Land Use Restriction Agreement; or (2) demolish any material part of the Project or substantially subtract from any real or personal property of the Project; provided, that nothing in the Land Use Restriction Agreement shall prohibit the Borrower from granting operating leases and/or licenses of those facilities constituting part of the Project that are functionally related and subordinate to the Residential Rental Units, such as laundry, cable or recreational facilities, for the purposes of providing for the operation of such facilities for the benefit of the Project; provided further, that nothing in the Land Use Restriction Agreement shall prohibit the Borrower from granting operating leases and/or licenses of those parts of the facilities constituting part of the Project the acquisition, rehabilitation or equipping of which are not allocated to the Bonds;

(g) No Continual or Frequent Nursing, Medical or Psychiatric Services. No continual or frequent nursing, medical or psychiatric services will be provided by the Borrower to the residents of the Project nor shall the Borrower make arrangements for the provision of such services;

(h) No Cooperative Housing Corporation Ownership. During the term of the Land Use Restriction Agreement, no part of the Project will at any time be owned or used by a cooperative housing corporation;

(i) Ownership, Structure and Financing. The Project will consist of one or more buildings or structures, all of which will be (i) owned by the same person for federal tax purposes, (ii) located on a single tract of land, consisting of any parcel of land or two or more parcels of land that are contiguous except for being separated only by a road, street, stream or similar property (parcels are contiguous if their boundaries meet at one or more points) and (iii) financed with proceeds of the Bonds or otherwise pursuant to a common plan of financing. Each such building or structure is a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and roof and containing five or more similarly constructed units;

(j) Condominium Ownership. During the term of the Land Use Restriction Agreement, the Borrower will not convert the Project to condominium ownership;

(k) Borrower Rentals. During the term of the Land Use Restriction Agreement, no Residential Rental Unit in the Project shall be occupied by the Borrower (or a Related Person) at any time unless the Borrower (or a Related Person) resides in a Residential Rental Unit in a building or structure that contains at least five Residential Rental Units and unless the resident of such Residential Rental Unit is a resident manager or other necessary employee (e.g., maintenance and security personnel);

(l) Reserved;

(m) No Discrimination. During the term of the Land Use Restriction Agreement, the Borrower shall not discriminate on the basis of age, race, color, creed, national origin, religion, sex or marital status in the lease, use or occupancy of the Project except as otherwise permitted by HUD and applicable federal, state or local law or in connection with the employment or application for employment of persons for the operation and management of the Project;

(n) Payment of Expenses. During the term of the Land Use Restriction Agreement, the Borrower shall make timely payment of the fees and expenses, if any, of the Trustee in accordance with the provisions of the Land Use Restriction Agreement, the Indenture and the Loan Agreement, including any expenses incurred by the Trustee in performance of its duties and obligations under the Land Use Restriction Agreement;

(o) Certification of Income. As a condition of occupancy, each Qualified Tenant shall be required to sign and deliver to the Borrower a Certification of Income, in a form designed to establish compliance with the applicable provisions of the Code and the Treasury Regulations, or as otherwise required by the Internal Revenue Service. Such Qualified Tenant shall also be required to provide whatever other information, documents or certifications that are deemed necessary by the Borrower or the Issuer to substantiate the Certification. All Certifications of Income with respect to each Qualified Tenant who resides in a Residential Rental Unit in the Project or resided in a Residential Rental Unit during the immediately preceding calendar year shall be maintained on file at the main business office of the Project and shall be available for inspection by the Issuer and the Trustee;

(p) Annual Determinations. The determination of whether a resident of the Project is a Qualified Tenant shall be made at least annually on the basis of the current income of all the residents of the Residential Rental Unit. Unless otherwise required by the Issuer, and for the purposes of the Land Use Restriction Agreement only, the preceding sentence shall not apply for any year if during such year no Residential Rental Unit in the Project is occupied by a new tenant who does not qualify as a Qualified Tenant. Each lease to a Qualified Tenant entered into after the date of the Land Use Restriction Agreement shall require the tenant to sign the Certification of Income annually, attesting to the combined income of all the occupants of each Residential Rental Unit and at any other time as the Borrower may reasonably request;

(q) Subsequent Changes to Income. If a tenant is a Qualified Tenant upon commencement of occupancy of a Residential Rental Unit, the income of such tenant shall be treated as Low or Moderate Income. The preceding sentence shall cease to apply to any tenant whose income as of the most recent annual determination under paragraph (o) of this Section exceeds 140% of Low and Moderate Income if, after such determination, but before the next annual determination, any Residential Rental Unit of comparable or smaller size in (i) the same building (within the meaning of Section 42 of the Code), provided that the Project is eligible for low-income housing tax credits under Section 42 of the Code or (ii) the Project, if the Project is not eligible for low-income housing tax credits under Section 42 of the Code, is occupied by a new tenant who does not qualify as a Qualified Tenant;

(r) Form of Lease. Any lease used in renting any Residential Rental Unit in the Project to a Qualified Tenant shall provide for termination of the lease and consent by such tenant to immediate eviction, subject to applicable provisions of Georgia law, for failure to qualify as a Qualified Tenant as a result of any material misrepresentation made by such person with respect to any Certification of Income. Each Qualified Tenant occupying a Residential Rental Unit shall be required to execute a written lease that shall be effective for a term of at least six (6) months. No meals or other services will be provided by or behalf of the Borrower to tenants of the Project;

(s) Borrower's Certification. On the first day of each month after any Residential Unit in the Project is available for occupancy, the Borrower shall prepare a record of the percentage of Residential Rental Units of the Project occupied (and treated as occupied) by Qualified Tenants during the preceding month. Such record shall be maintained on file at the main business office of the Project, shall be available for inspection by the Issuer and the Trustee and shall contain such other information and be in the form required by the Issuer and/or the Trustee, as applicable;

(t) Occupancy Standards. After the Transition Period, the Project shall satisfy the Occupancy Standards; and

(u) Records Maintenance and Inspection. During the term of the Land Use Restriction Agreement, the Borrower shall (i) maintain complete and accurate records pertaining to the Residential Rental Units occupied or to be occupied by Qualified Tenants, and (ii) permit any duly authorized representative of the Trustee, the Issuer, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower

pertaining to the income of and Certificate of Income of Qualified Tenants residing in the Project upon reasonable notice and at reasonable times.

Transfer Restrictions

(a) The following restrictions shall be in effect until the fifth anniversary of the Issue Date of the Bonds:

(i) During the Qualified Project Period, except with respect to events such as foreclosure, deed in lieu of foreclosure, involuntary loss or other events described in Treas. Reg. § 1.103-8(b)(6)(iii)(a) and not otherwise described in paragraph (b) thereof, provided that proceeds received as a consequence of such events are used as provided in Treas. Reg. § 1.103-8(b)(6)(iii)(a), the Borrower shall not Transfer the Project or any interest therein, in whole or in part, except in accordance with the terms of the Loan Agreement, the Mortgage Loan Documents and this heading. Any Transfer of the Project or any interest therein, in whole or in part, shall only be permitted if: (1) the Borrower shall not be in default under the Land Use Restriction Agreement; (2) the purchaser or assignee shall assume in writing by an Assumption Agreement in a form acceptable to the Issuer, all duties and obligations of the Borrower under the Land Use Restriction Agreement, including this heading, and execute any necessary or appropriate document reasonably requested by the Issuer or the Trustee with respect to assuming its obligations under the Land Use Restriction Agreement, the Mortgage Loan Documents and the Loan Agreement in the form of an Assumption Agreement, which document shall be recorded and filed in the conveyance and real estate records of the County in which the Project is located; (3) the Issuer and the Trustee shall have received an opinion of Bond Counsel, which opinion is acceptable to the Trustee, to the effect that such transfer will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes; (4) the Borrower shall deliver to the Issuer and the Trustee a certificate, acceptable in form to the Trustee, to the effect that the Borrower did not acquire the Project with the intention of sale upon completion of its rehabilitation; (5) the Borrower shall deliver to the Issuer and the Trustee an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under the Land Use Restriction Agreement and that such obligations and the Land Use Restriction Agreement are binding on the transferee; and (6) such other conditions are met as are set forth in or referred to in the Loan Agreement or the Mortgage Loan Documents or as the Trustee may reasonably impose as part of the Assumption Agreement (i) to protect the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes, (ii) to ensure that the Project is not acquired by a person that has pending against it, or that has a history of, building code violations, as identified by municipal, county, state or federal regulatory agencies, and (iii) to provide that indemnification of the Issuer and the Trustee under “Indemnification” below and elsewhere is assumed by the purchaser or assignee. Once the Assumption Agreement has been delivered and all conditions of this heading have been satisfied, the Issuer and the Trustee shall deliver a release to the Borrower with respect to any future compliance with the provisions of the Land Use Restriction Agreement with respect to the Project. If applicable, the Borrower shall deliver the Assumption Agreement to the Issuer and the Trustee at least ten (10) business days prior to a proposed Transfer.

(ii) The restrictions contained in the above paragraph shall not apply to (I) any transfer (direct or indirect) of limited or general partnership interests in the Borrower or (II) the removal of the Borrower’s General Partner by the Limited Partner of the Borrower and the replacement of such General Partner with an Limited Partner or an affiliate of an Limited Partner of the Borrower; provided, however, that in the case of any proposed transfer of interests in the Borrower described in clauses (I) or (II) of this paragraph and that is (1) proposed to occur within five (5) years of the issue date (as defined in Treas. Reg. § 1.150-1(b)) of the Bonds (the “Issue Date”), and (2) where such interests are proposed to be transferred to any person or entity that (A) has or had an ownership interest (directly or indirectly) in the seller of the Project or the Project at any time during the five (5) year period immediately preceding the Issue Date of the Bonds, or (B) is a “substantial user” (as defined in Treas. Reg. § 1.142-4) of the Project at any time during the five (5) year period immediately following the Issue Date of the Bonds, the Borrower provides to the Issuer and the Trustee, as a condition precedent to any such transfer of interests in the Borrower, an opinion of Bond Counsel to the effect that any such proposed transfer of interests in the Borrower will not adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

(b) From the first date after the fifth (5th) anniversary of the Issue Date of the Bonds, the following transfer restrictions shall be effective and supersede any restriction previously in place under the Land Use Restriction Agreement:

(i) Except for a transfer of the Project pursuant to a foreclosure or a deed in lieu of foreclosure or a similar event where the Land Use Restriction Agreement terminates pursuant to the provisions thereof, 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 (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 Land Use Restriction Agreement, including in the event of a subsequent Transfer by the transferee prior to expiration of the Qualified Project Period (the "Assumption Agreement") as described in the Land Use Restriction Agreement. The Borrower shall deliver the Assumption Agreement to the Issuer and the Trustee prior to the Transfer. No Transfer shall operate to release the Borrower from its obligations under the Land Use Restriction Agreement arising before the Transfer.

Termination

The Issuer, the Borrower and the Trustee each agrees that the Land Use Restriction Agreement shall terminate:

(a) Completion. The Land Use Restriction Agreement shall terminate upon the termination of the Qualified Project Period. The Borrower shall provide the Trustee a writing which sets forth the facts utilized in calculating the Qualified Project Period;

(b) Involuntary Non-Compliance. In the event of an involuntary non-compliance caused by unforeseen events, such as fire, seizure, requisition, change in a federal law or an action of a federal agency after the date of issuance of the Bonds that prevents the Issuer or the Trustee from enforcing the provisions of the Land Use Restriction Agreement or condemnation or similar event, provided that:

(i) the Bonds are retired at their first applicable available call date; or

(ii) any insurance proceeds or condemnation award or other amounts received as a result of such loss or destruction are used to provide a project that meets the requirements of Section 142(d) of the Code and Treas. Reg. § 1.103-8(b) as amended, or any successor law or regulation;

(c) Certain Transfers. In the event of foreclosure, transfer of title by deed in lieu of foreclosure, or similar event, following which and within a reasonable period of time the Bonds are repaid or the amounts received as a consequence of such event are used to provide a qualified residential rental project meeting the applicable requirements of the Code and the Regulations, unless, at any time subsequent to such event and during the Qualified Project Period, the Borrower or any direct successor in interest, or any transferee from the Borrower or its successor subject to an Assumption Agreement, or any Related Person to such persons, or any other person who was, prior to the event of foreclosure or other such event, an obligor on any Purpose Investment issued in connection with any financing for the Project, obtains an ownership interest in the Project for tax purposes; or

(d) Opinion of Bond Counsel. Upon the delivery of an opinion of Bond Counsel acceptable to the Issuer and the Trustee that continued compliance with the requirements of the Land Use Restriction Agreement is not required in order for interest on the Bonds to be and continue to be excludible from gross income of the holders of the Bonds for federal income tax purposes.

Covenants to Run With the Land; Successors Bound

The Borrower subjects the Real Estate to the covenants, reservations and restrictions set forth in the Land Use Restriction Agreement. The Issuer, the Trustee and the Borrower declare their express intent that the covenants, reservations and restrictions set forth in the Land Use Restriction Agreement shall be deemed covenants,

reservations and restrictions running with the land to the extent permitted by law and shall pass to and be binding upon the Borrower's successors in title to the Real Estate throughout the term of the Land Use Restriction Agreement. Each and every contract, deed, mortgage, or other instrument executed after the Land Use Restriction Agreement covering or conveying the Real Estate or any portion thereof or interest therein 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, mortgage or other instrument.

HUD Rider

The following provisions are required to be included by the U.S. Department of Housing and Urban Development ("HUD"):

(a) In the event of any conflict between any provision contained elsewhere in the Land Use Restriction Agreement (the "Restrictive Covenants") and any provision contained in the HUD rider to the Land Use Restriction Agreement (the "HUD Rider"), other than any provisions relating to the indemnification or limited obligation of the Issuer, the provision contained in the HUD Rider shall govern and be controlling in all respects as set forth more fully in the HUD Rider.

(b) The following terms shall have the following definitions in the HUD Rider:

"Code" means the Internal Revenue Code of 1986, as amended.

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

"HUD Regulatory Agreement" means the Regulatory Agreement between Borrower and HUD with respect to the Project, as the same may be supplemented, amended or modified from time to time.

"Lender" means Walker & Dunlop LLC, its successors and assigns.

"Mortgage Loan" means the mortgage loan made by Lender to the Borrower pursuant to the Mortgage Loan Documents with respect to the Project.

"Mortgage Loan Documents" means the Security Instrument, the HUD Regulatory Agreement and all other documents required by HUD or Lender in connection with the Mortgage Loan.

"National Housing Act" means the National Housing Act of 1934, as amended.

"Program Obligations" has the meaning set forth in the Security Instrument.

"Residual Receipts" has the meaning specified in the Program Obligations.

"Security Instrument" means the mortgage or deed of trust from Borrower in favor of Lender, as the same may be supplemented, amended or modified.

"Surplus Cash" has the meaning specified in the HUD Regulatory Agreement.

(c) Notwithstanding anything in the Restrictive Covenants to the contrary, the provisions of the Restrictive Covenants are expressly subordinate to (i) the Mortgage Loan Documents, including without limitation, the Security Instrument, and (ii) Program Obligations (the Mortgage Loan Documents and Program Obligations are collectively referred to in the HUD Rider as the "HUD Requirements"). Borrower covenants that it will not take or permit any action that would result in a violation of the Code, HUD Requirements or Restrictive Covenants. In the event of any conflict between the provisions of the Restrictive Covenants and the provisions of the HUD Requirements, HUD shall be and remains entitled to enforce the HUD Requirements. Notwithstanding the

foregoing, nothing in the HUD Rider limits the Issuer's ability to enforce the terms of the Restrictive Covenants, provided such terms do not conflict with statutory provisions of the National Housing Act or the regulations related thereto. The Borrower represents and warrants that to the best of Borrower's knowledge the Restrictive Covenants impose no terms or requirements that conflict with the National Housing Act and related regulations.

(d) In the event of foreclosure (or deed in lieu of foreclosure), the Restrictive Covenants (including without limitation, any and all land use covenants and/or restrictions contained in the Restrictive Covenants) shall automatically terminate.

(e) Borrower and the Issuer acknowledge that Borrower's failure to comply with the covenants provided in the Restrictive Covenants does not and shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

(f) Except for the Issuer's reporting requirement, in enforcing the Restrictive Covenants the Issuer will not file any claim against the Project, the Mortgage Loan proceeds, any reserve or deposit required by HUD in connection with the Security Instrument or HUD Regulatory Agreement, or the rents or other income from the property other than a claim against:

(i) Available surplus cash, if the Borrower is a for-profit entity;

(ii) Available distributions of surplus cash and residual receipts authorized for release by HUD, if the Borrower is a limited distribution entity; or

(iii) Available residual receipts authorized by HUD, if the Borrower is a non-profit entity.

(g) For so long as the Mortgage Loan is outstanding, Borrower and Issuer shall not further amend the Restrictive Covenants, with the exception of clerical errors or administrative correction of non-substantive matters, without HUD's prior written consent.

(h) Subject to the HUD Regulatory Agreement, the Issuer may require the Borrower to indemnify and hold the Issuer harmless from all loss, cost, damage and expense arising from any claim or proceeding instituted against Issuer relating to the subordination and covenants set forth in the Restrictive Covenants, provided, however, that Borrower's obligation to indemnify and hold the Issuer harmless shall be limited to available surplus cash and/or residual receipts of the Borrower.

(i) No action shall be taken in accordance with the rights granted herein to preserve the tax exemption of the interest on the notes or bonds, or prohibiting the owner from taking any action that might jeopardize the tax-exemption, except in strict accord with Program Obligations.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

Dated as of June 1, 2021

by and between

Dallas Manor, L.P.,
as Borrower

and

U.S. BANK NATIONAL ASSOCIATION,
as Dissemination Agent

Relating to:

\$4,350,000*
Northwest Georgia Housing Authority
Multifamily Housing Revenue Bonds
(Dallas Manor Apartments Project) Series 2021

* Preliminary; subject to change.

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MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information	 A-1

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is made and entered into as of June 1, 2021, between Dallas Manor, L.P. (the “Borrower”) and U.S. Bank National Association, a national banking association, as dissemination agent (the “Dissemination Agent”).

RECITALS

WHEREAS, Northwest Georgia Housing Authority (the “Issuer”) has issued its \$4,350,000* Multifamily Housing Revenue Bonds (Dallas Manor Apartments Project) Series 2021 (the “Bonds”) pursuant to a Trust Indenture dated as of June 1, 2021 (the “Indenture”) between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, the Issuer has agreed to loan the proceeds of the Bonds to the Borrower pursuant to a Loan Agreement dated as of June 1, 2021 (the “Loan Agreement”) among the Issuer and the Borrower for the purpose of financing the costs of acquiring, rehabilitating and equipping a 40-unit multifamily housing facility in Dallas, Georgia (the “Project”) and paying certain financing costs pertaining thereto, including costs of issuance of the Bonds; and

WHEREAS, the Bonds have been offered and sold pursuant to a Preliminary Official Statement dated June 2, 2021, and a final Official Statement dated June __, 2021 (collectively, the “Offering Document”); and the Issuer has entered into a Bond Purchase Agreement, dated June __, 2021 (the “Bond Purchase Agreement”), with respect to the sale of the Bonds, with the Borrower and the Participating Underwriter, as hereinafter defined; and

WHEREAS, the Borrower wishes to provide for the disclosure of certain information concerning the Bonds, the Project and other matters on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”), and the Dissemination Agent has agreed to serve as dissemination agent hereunder;

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Indenture and/or the Loan Agreement, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

Section 1. Definitions; Scope of this Agreement.

- (A) All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Indenture and the Loan Agreement, as those agreements are amended and supplemented from time to time. Notwithstanding the foregoing, the term “Dissemination Agent” shall originally mean the Trustee, or any successor trustee under the Indenture; any such successor dissemination agent shall automatically succeed to the rights and duties of the Dissemination Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

“*Annual Financial Information*” shall mean a copy of the annual audited financial information prepared for the Borrower which shall include, if prepared, a balance sheet, a statement of revenue and expenditure and a statement of changes in fund balances. All such financial information shall be prepared using generally accepted accounting principles, provided, however, that the Borrower may change the accounting principles used for preparation of such financial information so long as the Borrower includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

* Preliminary; subject to change.

“*Beneficial Owner*” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“*Bondholders*” shall mean any holder of the Bonds and any Beneficial Owner thereof. “Borrower’s Representative” shall have the meaning set forth in the Indenture.

“*EMMA System*” shall mean the Electronic Municipal Market Access System maintained by the MSRB at www.emma.msrb.org.

“*Event*” shall mean any of the following events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);
- (xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect holders of the Offered Bonds, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties.

“Financial Obligation”, as defined in the Rule, means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing planned debt obligation; or (iii) guarantee of (i) or (ii).

The SEC requires the listing of (i) through (xvi) although some of such events may not be applicable to the Bonds.

“*Force Majeure Event*” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the EMMA System; or (iii) to the extent beyond the Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological applicable, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Dissemination Agent from performance of its obligations under this Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board.

“*Operating Data*” shall mean the average occupancy rates and average monthly rental rates for the Project for the prior fiscal year and the current Project occupancy rates and average rental rates.

“*Participating Underwriter*” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

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

“*State*” shall mean the State of Georgia.

“*Turn Around Period*” shall mean (i) five (5) business days, with respect to Annual Financial Information and Operating Data delivered by the Borrower to the Dissemination Agent; (ii) two (2) business days with respect to Event occurrences disclosed by the Borrower by written notice to the Dissemination Agent; or (iii) two (2) business days with respect to the failure, on the part of the Borrower, to deliver Annual Financial Information and Operating Data to the Dissemination Agent which period commences upon written notification by the Borrower to the Dissemination Agent of such failure, or upon the Dissemination Agent’s actual knowledge of such failure, including, but not limited to, the occurrence of an Extension.

- (A) This Agreement applies to the Bonds and any additional bonds issued under the Indenture.
- (B) The Dissemination Agent shall have no obligation to make disclosure about the Bonds or the Project except as expressly provided herein; provided that nothing herein shall limit the duties or obligations of the Dissemination Agent in its separate capacity as Trustee under the Indenture or the duties of the Borrower under the Loan Agreement. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Borrower, apart

from the relationship created by the Indenture or the Loan Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, including, but not limited to, the occurrence of an Extension, except as may be provided by written notice from the Borrower. The services provided under this Agreement solely relate to the execution of instructions received from the Borrower and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). The Dissemination Agent will not provide any advice or recommendation to the Borrower or anyone on the Borrower’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. Notwithstanding anything to the contrary contained herein, a written certificate of compliance or direction signed by the Borrower’s Representative must accompany each document submitted to the Dissemination Agent by the Borrower under this Agreement and must include the full name and CUSIP numbers for all Bonds to which the document relates. The Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Dissemination Agent uses reasonable efforts to make any such filing as soon as possible. The Dissemination Agent is under no obligation to notify the Borrower’s Representative of an event that may constitute an Event.

Section 2 Disclosure of Information.

(A) General Provisions. This Agreement governs the Borrower’s direction to the Dissemination Agent with respect to information to be made public. In its actions under this Agreement, the Dissemination Agent is acting not as Trustee but as the Borrower’s agent; provided that the Dissemination Agent shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Indenture as fully as if the applicable provisions of the Indenture and the Loan Agreement were set forth herein. The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Agreement, and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures.

(B) Information Provided to the Public. Except to the extent this Agreement is modified or otherwise altered in accordance with Section 3 hereof, the Borrower shall make or cause to be made public the information set forth in subsections (1), (2) and (3) below:

(1) Annual Financial Information and Operating Data. Annual Financial Information and Operating Data at least annually not later than 180 days after the end of each fiscal year of the Borrower beginning with fiscal year ending December 31, 2022, and continuing with each fiscal year thereafter, for which the information is provided taking into account the Turn Around Period.

(2) Event Notices. Notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

(3) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of Borrower to provide the Annual Financial Information or Operating Data by the date required herein.

(C) Information Provided by Dissemination Agent to Public.

(1) The Borrower directs the Dissemination Agent on its behalf to make public in accordance with subsection (D) of this Section 2 and within the time frame set forth in clause (3) below, and the Dissemination Agent agrees to act as the Borrower’s agent in so making public, the following:

- (a) the Annual Financial Information and Operating Data received from the Borrower;
- (b) Event occurrences of which the Dissemination Agent receives notice from the Borrower;
- (c) the notices of failure to provide information which the Borrower has agreed to make public pursuant to subsection (B)(3) of this Section 2 to the extent of the Dissemination Agent's actual knowledge thereof;
- (d) such other information as the Borrower shall determine to make public through the Dissemination Agent at the Borrower's additional expense and shall provide to the Dissemination Agent in the form required by subsection (C)(2) of this Section 2. If the Borrower chooses to include any information in any Annual Financial Information report or in any notice of occurrence of an Event, in addition to that which is specifically required by this Agreement, the Borrower shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information report or notice of occurrence of an Event; and

(2) The information which the Borrower has agreed to make public shall be delivered electronically to the Dissemination Agent pursuant to instructions delivered by the Dissemination Agent to the Borrower.

(3) The Dissemination Agent shall make public (i) the Annual Financial Information and the Operating Data received from the Borrower, (ii) the Event occurrences of which the Dissemination Agent receives notice from the Borrower, and (iii) notices of the failure to provide the Annual Financial Information and Operating Data of which the Dissemination Agent has actual knowledge within the applicable Turn Around Period. Notwithstanding the foregoing, Annual Financial Information, Operating Data and notice of Events shall be made public on the same day as notice thereof is given to the Bondholders of outstanding Bonds, if required in the Indenture, and in any event shall not be made public before the date of such notice. If on any such date, information required to be provided by the Borrower to the Dissemination Agent has not been provided on a timely basis, the Dissemination Agent shall make such information public as soon thereafter as it is provided to the Dissemination Agent.

(D) Means of Making Information Public.

(1) Information shall be deemed to be made public by the Borrower or the Dissemination Agent under this Agreement if it is transmitted as provided in subsection (D)(2) of this Section 2 to the MSRB in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB (a description of such format and information as presently prescribed by the MSRB is included in Exhibit A hereto).

(2) Information shall be transmitted to the following:

- (a) to the MSRB; and
- (b) to the extent the Borrower is obligated to file any Annual Financial Information or Operating Data with the MSRB pursuant to this Agreement, such Annual Financial Information or Operating Data may be set forth in the document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on the EMMA System or filed with the SEC.

Nothing in this subsection shall be construed to relieve the Dissemination Agent, as Trustee, of its obligation to provide notices to the holders of all Bonds if such notice is required by the Indenture.

With respect to requests for periodic or occurrence information from Bondholders, the Dissemination Agent may require that any such requests be in writing and may require payment by requesting of holders a reasonable charge for duplication and transmission of the information and for the Dissemination Agent's administrative expenses incurred in providing the information.

Nothing in this Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning the information made public. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the Borrower for response.

(E) Dissemination Agent Compensation. The Borrower shall pay or reimburse the Dissemination Agent for its fees and expenses for the Dissemination Agent's services rendered in accordance with this Agreement as provided in the Loan Agreement and the Indenture.

(F) Indemnification of Dissemination Agent. In addition to any and all rights of the Dissemination Agent or the Issuer to reimbursement, indemnification and other rights pursuant to the Indenture or the Loan Agreement or under law or equity, the Borrower shall indemnify and hold harmless the Dissemination Agent and the Issuer and their respective officers, directors, employees and agents from and against any and all actual claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including reasonable attorney fees actually incurred) which such indemnified party incurs by reason of or in connection with the Dissemination Agent's performance under this Agreement; provided that the Borrower shall not be required to indemnify the Dissemination Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer or the Dissemination Agent or any of their respective officers, directors, employees or agents in such disclosure of information hereunder. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 3. Amendment or Waiver.

Notwithstanding any other provision of this Agreement, the Borrower and the Dissemination Agent may amend this Agreement (and the Dissemination Agent shall agree to any reasonable amendment requested by the Borrower) and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel or counsel expert in federal securities laws acceptable to both the Borrower and the Dissemination Agent 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 as well as any change in circumstance.

Section 4. Miscellaneous.

(A) Representations. Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Agreement by the officer of such party whose signature appears on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Agreement under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due authorization, execution and delivery of this Agreement, or otherwise contesting or questioning the issuance of the Bonds.

(B) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Agreement shall be interpreted and construed in a manner consistent therewith.

(C) Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Counterparts. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

(E) Termination. This Agreement may be terminated by any party to this Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Agreement; provided the termination of this Agreement is not effective until (i) the Borrower, or its successor, enters into a new continuing disclosure agreement with a dissemination agent who agrees to continue to provide, to the MSRB and the Bondholders of the Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) nationally recognized bond counsel or counsel expert in federal securities law provides an opinion that the new continuing disclosure agreement is in compliance with all State and Federal Securities laws, (iii) notice of the termination of this Agreement is provided to the MSRB and (iv) the Borrower shall have paid to the Dissemination Agent its fees due hereunder to and including the effective date of such termination of this Agreement.

This Agreement shall terminate when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity and the Borrower shall have paid to the Dissemination Agent its fees due hereunder to and including the effective date of such termination of this Agreement.

(F) Defaults: Remedies. A party shall be in default of its obligations hereunder if it fails to carry out or perform its obligations hereunder.

If an event of default occurs and continues beyond a period of thirty (30) days following notice of default given in writing to such defaulting party by any other party hereto or by a beneficiary hereof as identified in Section 4(G), the non-defaulting party or any such beneficiary may enforce the obligations of the defaulting party under this Agreement; provided, however, the sole remedy available in any proceeding to enforce this Agreement shall be an action in mandamus, for specific performance or similar remedy to compel performance.

The occurrence of any event of default as provided in this Agreement shall not constitute an event of default under the Indenture or the Loan Agreement.

(G) Beneficiaries. This Agreement is entered into by the parties hereof and shall inure solely to the benefit of the Issuer, the Borrower, the Trustee, the Dissemination Agent, the Participating Underwriter and Bondholders, and shall create no rights in any other person or entity.

Section 5. Additional Disclosure Obligations.

The Borrower acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, may apply to the Borrower, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Borrower under such laws.

Section 6. Notices.

Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Borrower: Dallas Manor, L.P.
900 South Gay Street, Suite 2000
Knoxville, Tennessee 37902
Attention: Carey B. Parker

With a copy to: Gentry, Tipton & McLemore, P.C.
2300 Riverview Tower
900 S. Gay Street
Knoxville, Tennessee 37902
Attention: Timothy McLemore

To the Dissemination Agent: U.S. Bank National Association
P.O. Box 4026
Brandon, Mississippi 39047
Attention: Wallace Duke

With a copy to: U.S. Bank National Association
333 Commerce Street, Suite 800
Nashville, Tennessee 37201
Attention: Global Corporate Trust

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 7. HUD Requirements.

For purposes of this Section 7, the words and terms defined in the Indenture shall have the same meanings when used herein as are ascribed thereto in the Indenture. In the event of any conflict between the provisions of this Agreement and the National Housing Act, as amended, the regulations and administrative requirements promulgated thereto or the Mortgage Loan Documents, such acts, regulations, administrative requirements and Mortgage Loan Documents shall control. No amendment of this Agreement shall conflict with any such acts, regulations, administrative requirements or Mortgage Loan Documents. This Agreement and the restrictions hereunder are subordinate to the Mortgage Loan Documents. This Agreement is a Bond Document and is subject to the provisions of Section 11.12 of the Indenture.

[SIGNATURE PAGE OF BORROWER]

IN WITNESS WHEREOF, the Dissemination Agent and the Borrower have each caused their duly authorized officers or authorized agents to execute this Agreement, as of the day and year first above written.

BORROWER:

Dallas Manor, L.P.,
a Tennessee limited partnership

By: Dallas Manor GP, LLC, a Tennessee limited liability
company, its General Partner

By _____
Carey B. Parker
President

[SIGNATURE PAGE OF DISSEMINATION AGENT]

U.S. BANK NATIONAL ASSOCIATION, Dissemination
Agent

By: _____

Name: _____

Title: _____

EXHIBIT A

MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information

Securities and Exchange Commission Release No. 34-59061 (the “Release”) approves an MSRB rule change establishing a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 (“Rule 15c2-12”) under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB’s continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB’s Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

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APPENDIX F

FORM OF BOND COUNSEL OPINION

The form of the approving legal opinion of Dinsmore & Shohl LLP, bond counsel, is set forth below. The actual opinion will be delivered on the date of delivery of the bonds referred to therein and may vary from the form set forth below to reflect circumstances both factual and legal at the time of such delivery.

[Dated Date of Delivery of the Bonds]

Northwest Georgia Housing Authority
Rome, Georgia

RE: Northwest Georgia Housing Authority Multifamily Housing Revenue Bonds (Dallas Manor Apartments Project), Series 2021

Ladies and Gentlemen:

We are acting as bond counsel to Northwest Georgia Housing Authority (the “Issuer”) in connection with the issuance of its Multifamily Housing Revenue Bonds (Dallas Manor Apartments Project), Series 2021 (the “Bonds”). The Bonds are issued to fund to a loan to Dallas Manor, L.P., a Tennessee limited partnership (the “Borrower”) pursuant to (i) a Loan Agreement, dated as of June 1, 2021 (the “Loan Agreement”), between the Issuer and the Borrower for the purpose of financing the acquisition, rehabilitation and equipping of a 40-unit residential rental housing facility for individuals and families of low and moderate income known as Dallas Manor Apartments located in the City of Dallas, Georgia (the “Project”) and paying certain other related costs pursuant to The Housing Authorities Law of the State of Georgia, O.C.G.A. Section 8-3-1 et seq., as amended (the “Act”), (ii) two resolutions (collectively, the “Bond Resolutions”) each duly adopted by the Issuer and (iii) a Trust Indenture, dated as of June 1, 2021 (the “Indenture”), between the Issuer and U.S. Bank National Association, as trustee for the Bonds (the “Trustee”). Terms used herein, but not defined, shall have the meanings ascribed to such terms in the Indenture.

In our capacity as Bond Counsel, we have not been engaged nor have we undertaken to express and we do not express any opinion (other than as may be expressly set forth herein) with respect to (a) the legal existence or the due authorization, execution, or delivery by or enforcement against the Borrower of any instrument or agreement in connection with the Project or the Bonds, (b) title to the Project or compliance with zoning, land use, and related laws, (c) the status or priority of any lien or matter of record or security interest purported to be created in connection with the foregoing or (d) the accuracy, completeness, or sufficiency of offering materials relating to the Bonds (except as we may provide in writing).

We have examined executed counterparts of the Indenture, the Loan Agreement, the Bond Purchase Agreement, dated June __, 2021, by and among Raymond James & Associates, Inc., the Issuer and the Borrower, the Land Use Restriction Agreement, dated as of June 1, 2021 (the “Land Use Restriction Agreement”) and effective June __, 2021 by and among the Issuer, the Trustee and the Borrower, the Tax Regulatory Agreement and No-Arbitrage Certificate, dated as of June 1, 2021 (the “Tax Regulatory Agreement” and, together with the Land Use Restriction Agreement, the “Tax Agreements”) by and among the Issuer and the Borrower and the Loan Disbursement Procedures Agreement, dated as of June 1, 2021 (the “Disbursement Agreement”), by and among the Borrower, the Lender, the Trustee and others, as amended, supplemented or restated from time to time, relating to the funding of Mortgage Loan advances with the proceeds of the Bonds in exchange for Collateral Payments and the advance of other amounts from the Lender (hereinafter collectively referred to as the “Issuer Documents”); the Bond Resolution; the form of the Bonds; the applicable provisions of the Constitution, laws and rules and regulations of the State of Georgia, including the Act, and of the United States of America; the transcript of proceedings relating to the issuance and sale of the Bonds and the opinions, certifications and statements of facts and expectations contained in such transcript; and such other documents and materials as we deem relevant to the opinion expressed herein. Reference is hereby made to an opinion of Gentry Tipton & McLemore, P.C. and Butler Snow LLP, dated of even date herewith, relating, among other matters, to the power of the Borrower to enter into and perform the Loan

Agreement, the Tax Agreements and the Disbursement Agreement. Further reference is hereby made to an opinion of Brinson, Askew, Berry, Seigler, Richardson & Davis LLP, dated of even date herewith, relating, among other matters, to the power of the Issuer to enter into and perform the Issuer Documents.

As to questions of fact material to our opinion, we have relied upon (a) representations of the Issuer and the Borrower, (b) certified proceedings and other certifications of public officials furnished to us, and (c) certifications furnished to us by or on behalf of the Borrower (including certifications made in the Tax Agreements, which are material to Paragraph 3 below), without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, as of the date hereof and under existing statutes, regulations, rulings, and court decisions, that:

1. The Bond Resolutions have each been duly adopted by the Issuer and the Issuer Documents have been duly authorized, executed, and delivered by the Issuer and constitute valid and binding obligations of the Issuer enforceable in accordance with their respective terms.

2. The Bonds (a) have been duly authorized, executed, and issued by the Issuer and delivered to the Trustee for authentication, (b) have been authenticated by the Trustee and delivered to the purchasers thereof and (c) are valid and binding special or limited obligations of the Issuer payable solely from the Revenues.

3. Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest on the Bonds is excludible from gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), except on Bonds while held by a Substantial User or Related Person, each as defined in the Code. In rendering the opinions in this paragraph, we have assumed continuing compliance with certain covenants made by the Issuer and the Borrower designed to meet the requirements of Sections 103 and 142(d) of the Code. The Issuer and the Borrower have covenanted to comply with 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.

4. The interest on the Bonds is not subject to taxation by the State of Georgia and the Bonds are not subject to ad valorem taxation by the State of Georgia or by any political subdivision thereof.

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

The rights of the owners of the Bonds and the enforceability of the Bonds and the Issuer Documents may be limited by laws, rulings and decisions affecting remedies and by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

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

Very truly yours,



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