NEW ISSUE – Book-Entry Only | **RATING: S&P "AA+"**
See "RATING" herein.

In the opinion of Bracewell LLP, assuming compliance with certain covenants and based on certain representations, under existing law, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, except with respect to interest on any Bond during any period while it is held by a "substantial user" of the Development (as defined below) or a "related person" of such a "substantial user" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, and (ii) interest on the Bonds is not subject to the alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for a discussion of Bracewell LLP's opinion.

$17,600,000
TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
Multifamily Housing Revenue Bonds
(Emli at Liberty Crossing), Series 2017

Dated: Date of Delivery | **Mandatory Tender Date: December 1, 2019**
Interest Rate: 1.80% | **Maturity Date: December 1, 2020**
Initial Offering Price: 100% | **CUSIP: 88275A DG2**

The Texas Department of Housing and Community Affairs (the "Issuer") is issuing its Multifamily Housing Revenue Bonds (Emli at Liberty Crossing), Series 2017 (the "Bonds") pursuant to a Trust Indenture dated as of December 1, 2017 (the "Indenture"), by and between the Issuer and BOKF, NA, Dallas, Texas, as trustee (the "Trustee"). Proceeds of the Bonds will be loaned to Liberty Crossing TC I, LP, a Texas limited partnership (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, constructing and equipping a 240-unit residential rental housing development located in Dallas County, Texas (the "Development"). See "THE DEVELOPMENT" herein.

The Bonds will bear interest at the Interest Rate indicated above (the "Interest Rate") from their date to but not including the Mandatory Tender Date indicated above (the "Mandatory Tender Date"), payable on each June 1 and December 1, commencing June 1, 2018. See "THE BONDS" herein. The Bonds will be issued as fully registered bonds in denominations of $5,000 or any integral multiple 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 "BOOK-ENTRY ONLY SYSTEM" herein.

The Indenture requires the Bonds to be secured at all times by Eligible Investments (as defined herein) sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due on the Mandatory Tender Date, as further described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

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 Mandatory Tender Date set forth above. All Holders must tender their Bonds for purchase on the Mandatory Tender Date. The Bonds may be remarketed and 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 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 Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. See "THE BONDS – Mandatory Tender" herein.

The Bonds are not subject to optional redemption prior to the Mandatory Tender Date as set forth herein. See "THE BONDS – Optional Redemption" herein.

NOTWITHSTANDING ANYTHING IN THE INDENTURE TO THE CONTRARY, ANY OBLIGATION THAT THE ISSUER MAY INCUR UNDER THE INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION THEREWITH THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER, BUT SHALL BE A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM THE TRUST ESTATE ESTABLISHED UNDER THE INDENTURE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS (THE "BOND SERVICE CHARGES") AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS, TOGETHER WITH INTEREST THEREON, SHALL BE LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BOND SERVICE CHARGES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE TRUST ESTATE). THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OF TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.

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 Bracewell LLP, Austin, Texas, Bond Counsel, and by the Attorney General of the State of Texas and certain other conditions. Certain legal matters will be passed upon for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, D.C., and for the Borrower by its counsel, Shackelford, Bowen, McKinley & Norton, LLP, Dallas, Texas. Certain financial advisory services will be provided to the Issuer by George K. Baum & Company. 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 December 20, 2017.

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.

RAYMOND JAMES®

Date: December 6, 2017

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.

BOKF, NA, in each of its capacities, including but not limited to Trustee, bond registrar and paying agent, has not participated in the preparation of this Official Statement and assumes no responsibility for its content.

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

CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer and are included solely for the convenience of the holders of the Bonds. The Issuer is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

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OFFICIAL STATEMENT

$17,600,000
Texas Department of Housing and Community Affairs
Multifamily Housing Revenue Bonds
(Emli at Liberty Crossing), Series 2017

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 the Texas Department of Housing and Community Affairs (the "Issuer"), a public and official agency of the State of Texas (the "State"). The Governing Body has authorized the issuance of the Bonds by a resolution adopted October 12, 2017 (the "Bond Resolution"), and the Bonds are issued pursuant to a Trust Indenture dated as of December 1, 2017 (the "Indenture"), by and between the Issuer and BOKF, NA, 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 Chapter 2306, Texas Government Code, as amended (the "Act"), for the purpose of providing funds to make a mortgage loan (the "Loan") to Liberty Crossing TC I, LP, a Texas limited partnership (the "Borrower"), to enable the Borrower to pay a portion of the cost of acquiring, constructing and equipping a 240-unit residential rental housing development located in Dallas County, Texas, known as Emli at Liberty Crossing (the "Development"). See "PRIVATE PARTICIPANTS" and "THE DEVELOPMENT" herein.

The Loan will be made to the Borrower under a Loan Agreement dated as of December 1, 2017 (the "Loan Agreement"), by and between the Issuer and the Borrower. Pursuant to the Loan Agreement, the Borrower has agreed to make payments to the Issuer in amounts sufficient to pay the principal of, premium, if any, 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 $17,600,000 (the "Note") from the Borrower to the Trustee.

The Indenture establishes certain funds (collectively, 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 Bonds (the "Bond Fund"), and within the Bond Fund an account for the deposit of Eligible Funds (as defined in Appendix A) to pay interest on the Bonds (the "Negative Arbitrage Account"). The deposit to the Negative Arbitrage Account has been calculated to be sufficient to pay, together with projected investment earnings on Eligible Investments deposited with the Trustee at closing, and without the need for reinvestment, interest payments on the Bonds from the date of delivery of the Bonds to but not including December 1, 2019 (the "Mandatory Tender Date"). Amounts on deposit in the Special Funds are required to be invested in Eligible Investments (as defined in Appendix A). It is required that the aggregate funds on deposit in the Project Fund and the Collateral Fund will, at all times, equal the principal amount of Bonds Outstanding. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Bonds will be secured by amounts on deposit under the Indenture, which shall constitute Eligible Funds and shall be invested in Eligible Investments and such amounts will be sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due on the Mandatory Tender Date, as further described herein.

The Bonds shall bear interest on the outstanding principal amount thereof at a rate equal to the Interest Rate set forth on the cover page hereof (the "Interest Rate") from their date of delivery to but not including the Mandatory Tender Date, payable on each June 1 and December 1, commencing June 1, 2018 (each an "Interest Payment Date").

The Bonds are subject to mandatory tender for purchase, subject to satisfaction of the applicable terms and conditions set forth in the Indenture, on the Mandatory Tender Date set forth above. All Holders must tender their

Bonds for purchase on the Mandatory Tender Date. The Bonds may be remarketed and 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 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 Mandatory Tender Date cannot rely on this Official Statement, but rather must rely upon any disclosure documents prepared in connection with such remarketing. See "THE BONDS – Mandatory Tender" herein.

The Bonds are not subject to optional redemption prior to the Mandatory Tender Date as set forth herein under "THE BONDS."

As is described under "PLAN OF FINANCING" below, the Borrower expects to obtain permanent financing for its acquisition, construction and equipping of the Development from (a) a mortgage loan (the "Mortgage Loan") to be made by Barings Multifamily Capital LLC, a Michigan limited liability company (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 from 42EP IBC Fund II, LP, a Delaware limited partnership (the "Investor Limited Partner").

To fund the Mortgage Loan, the Lender expects to issue and sell certain securities (the "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 AND SOURCES OF PAYMENT FOR THE BONDS" below. In connection with the Mortgage Loan, the Borrower will execute a note, security instrument, regulatory agreement 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 Regulatory Agreement, the Mortgage Loan Documents will control. 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 Development is located or in any funds, accounts or reserves established, maintained and/or collected by the Lender.

Prior to the disbursement of amounts drawn from the Project Fund to pay costs of the Development, a like amount of Eligible Funds on behalf of the Borrower (the "Collateral Payments") must be deposited to the Collateral Fund. It is anticipated that, over time, the Lender will deliver Eligible Funds that constitute Collateral Payments in an amount equal to all or a portion of such disbursement to the Trustee for deposit into the Collateral Fund as security for the Bonds in exchange for a like amount of Bond proceeds from the Project Fund, which is to be disbursed by the Trustee to or at the direction of the Lender for purposes of paying costs of the Development, all in accordance with the Loan Agreement, the Disbursement Agreement (as defined below) and the Indenture.

The Borrower, the Trustee, the Issuer, the Secretary of HUD, and the Lender will enter into a Loan Disbursement Procedures Agreement dated as of December 1, 2017 (the "Disbursement Agreement"), pursuant to which the Borrower will direct the Lender to make, and the Lender will agree to make Collateral Payments to the Trustee in the amounts of, and as a condition to the release of, requested disbursements of Bond proceeds from the Project Fund to pay costs of the Development.

Notwithstanding any provision of the Loan Agreement, the Disbursement Agreement or the Indenture to the contrary, the Trustee will not disburse 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 then held in the Collateral Fund and the amount then on deposit in the Project Fund, less the anticipated amount of the disbursement from the Project Fund, is at least equal to the then outstanding principal amount of the Bonds. Upon receipt of a Collateral Payment, subject to the foregoing provisions, Trustee may disburse Bond proceeds to or at the direction of the Lender for use by the Borrower to pay costs of the Development, in accordance with the terms of the Loan Agreement.

The Development is subject to a Regulatory and Land Use Restriction Agreement (the "Regulatory Agreement") dated as of December 1, 2017, by and among the Borrower, the Issuer and the Trustee. The Regulatory Agreement requires that at least 40% of Available Units (as defined therein) of the Development be occupied by persons or families having incomes at or below 60% of area median gross income during the Qualified Project Period (as defined in the herein), in accordance with Section 142(d) of the Code. 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. The Regulatory Agreement will also require that for the State Restrictive Period (as defined therein), 100% of the dwelling units in the Development (except for dwelling units reserved for a resident manager, security personnel and maintenance personnel) are reserved for tenants whose combined Annual Income (as defined therein) does not exceed 140% of the 60% Multifamily Tax Subsidy Program Income Limit (as defined therein), which is adjusted for family size. The Regulatory Agreement further requires that 5% of the units within the Development will be available for occupancy by Persons with Special Needs (as defined therein). See "TAX MATTERS" and "APPENDIX D – SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT." In addition to the rental restrictions imposed upon the Development by the Regulatory Agreement, the Development will be further encumbered by a tax credit restrictive covenant (the "Tax Credit Land Use Restriction Agreement"), to be executed by the Borrower in connection with the federal low income housing tax credits (the "Tax Credits") anticipated to be granted for the Development (and allocated to the Investor Limited Partner in its capacity as a partner 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 Development. See "THE PRIVATE PARTICIPANTS" and "THE DEVELOPMENT" herein.

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

THE ISSUER

General

The Issuer, a public and official agency of the State was created pursuant to and in accordance with the Act. The Issuer is the successor agency to the Texas Housing Agency (the "Agency") and the Texas Department of Community Affairs, both of which were abolished by the Act and their functions and obligations transferred to the Issuer. One of the purposes of the Issuer is to provide for the housing needs of individuals and families of low, very low and extremely low income and families of moderate income in the State. Pursuant to the Act, the Issuer may issue bonds, notes or other obligations to finance or refinance residential housing and to refund bonds previously issued by the Agency, the Issuer or certain other quasi-governmental issuers. The Act specifically provides that the revenue bonds of the Agency become revenue bonds of the Issuer.

The Issuer is subject to the Texas Sunset Act (Chapter 325, Texas Government Code, as amended, hereinafter referred to as the "Sunset Act"), and its continued existence is subject to a review process that resulted in passage of legislation in the Seventy-Eighth Legislative Session in 2003 which continued the Issuer in existence until September 1, 2011. House Bill 3361 extended the existence of the Issuer until September 2025, at which time it will be subject to review. The Sunset Act, however, recognizes the continuing obligation of the State to provide for the payment of bonded indebtedness incurred by a State agency abolished under the provisions thereof and provides that the Governor of the State shall designate an appropriate State agency to continue to carry out all covenants with respect to any bonds outstanding, including the payment of any bonds from the sources provided in the proceedings authorizing such bonds.

In the Act, the State also pledges and agrees with the holders of any bonds issued under the Act (such as the Bonds) that the State will not limit or alter the rights vested in the Issuer to fulfill the terms of any agreements made with the holders thereof that would in any way impair the rights and remedies of such holders until such bonds, together with the interest thereon, interest on any unpaid installments of interest and all costs and expenses incurred in connection with any action or proceeding by or on behalf of such holders are fully met and discharged.

Organization and Membership

Governing Board. The Issuer is governed by a governing board (the "Board") consisting of seven public members appointed by the Governor, with the advice and consent of the State Senate. Board members hold office for six-year staggered terms. Each member serves until his or her successor is appointed and qualified. Each member is eligible for reappointment. Members serve without compensation, but are entitled to reimbursement for actual expenses incurred in performing their duties of office. The Act requires the Governor to make appointments so that the places on the Board are occupied by persons who have a demonstrated interest in issues related to housing and support services and who broadly reflect the geographic, economic, cultural and social diversity of the State, including ethnic minorities, persons with disabilities, and women.

The Governor of the State designates a member of the Board to serve as the presiding officer (the "Chair") of the Board at the pleasure of the Governor. The Chair presides at all meetings and performs such other duties as may be prescribed from time to time by the Board and by the Act. In addition, the members of the Board elect one of its members as assistant presiding officer (the "Vice Chair") to perform the duties of the Chair when the Chair is not present or is incapable of performing such duties. The Board also elects a Secretary and a Treasurer (which offices may be held by one individual, neither of which is required to be a Board member) to perform the duties prescribed by the Board.

One seat on the Board is currently vacant. The current members of the Board, their occupations and their terms of office are as follows:

J.B. GOODWIN, Chair and Board Member. CEO of JB Goodwin Realtors, Austin, Texas. His term expires January 31, 2021.

LESLIE BINGHAM-ESCAREÑO, Vice Chair and Board Member. Chief Executive Officer, Valley Baptist Medical Center-Brownsville. Her term expires January 31, 2019.

PAUL A. BRADEN, Board Member. Partner and Head of Public Finance for the United States at Norton Rose Fulbright, Dallas, Texas. His term expires January 31, 2023.

LEO VASQUEZ, Board Member. Executive Vice President of Cadeco Industries and related companies, Houston, Texas. His term expires January 31, 2023.

SHARON THOMASON, Board Member. President of Lubbock Land Company, Wolfforth, Texas. Her term expires January 31, 2021.

ASUSENA RESÉNDIZ, Board Member. San Antonio, Texas. Her term expires January 31, 2019.

All of the above Board members have been appointed by the Governor and confirmed by the State Senate. Texas law requires that confirmations of any such appointment be considered at the next legislative session, whether regular or special. Pursuant to Article XVI, Section 17, of the Texas Constitution, any Board member whose term has expired or who has tendered his or her resignation continues to serve until his or her successor has been appointed.

Administrative Personnel. The Act provides that the Issuer is to be administered by an Executive Director to be employed by the Board with the approval of the Governor. The Executive Director serves at the pleasure of the Board, but may also be removed by a newly elected Governor who did not approve the Executive Director's appointment by action taken within 90 days after such Governor takes office. The Executive Director is responsible for administering the Issuer and its personnel. The Executive Director may employ other employees necessary for the discharge of the duties of the Issuer, subject to the annual budget and the provisions of any resolution authorizing the issuance of the Issuer's bonds.

Currently, the Issuer has 275 employees. The following is a biographical summary of certain of the Issuer's senior staff members who have responsibility with respect to multi-family housing bond matters:

TIMOTHY K. IRVINE, Executive Director since September 16, 2011. Mr. Irvine has been a licensed attorney in Texas since 1976. He has been with the Issuer since January 2009 and was appointed General Counsel in March 2010 and Acting Director in June 18, 2011. His prior experience includes serving as an attorney for the Federal Reserve Bank of Dallas, heading the legal division and serving as secretary of Texas Commerce Bancshares and as General Counsel of its lead bank, heading the legal division and serving as secretary for Franklin Federal Bancorp as well as overseeing its mortgage banking, human resources, and other support functions, serving as a partner in the Austin office Locke Liddell & Sapp (now Locke Lord LLP), serving as General Counsel of the Texas Savings and Loan Department (now the Savings and Mortgage Lending), as Executive Director of the Issuer's Manufactured Housing Division, as Administrator of the Texas Real Estate Commission and Commissioner of the Texas Appraiser Licensing and Certification Board. He has a B.A. (1971) from Claremont McKenna College, an M.A. (1973) from Claremont Graduate University, and a J.D. (1975) from Willamette University.

MONICA GALUSKI, Director of Bond Finance. Ms. Galuski joined the Issuer in November 2014 with over 18 years in municipal finance, 14 of which were devoted to single family housing. She is responsible for the development and administration of the Issuer's Single Family Mortgage Revenue Bond Program and management of the Issuer's Taxable Mortgage Program. In addition, Ms. Galuski oversees ongoing compliance monitoring and disclosure requirements related to the Issuer's investment portfolio and single family and multifamily bond programs. Ms. Galuski earned a Bachelor of Science in Financial Management from Arizona State University.

JAMES "BEAU" ECCLES, General Counsel. J. Beau Eccles joined the Issuer in June 2015 as its General Counsel and is responsible for coordination of all internal and external legal counsel for the Issuer. Before joining the Issuer, Mr. Eccles served as an Assistant Texas Attorney General for thirteen years, including five years as Deputy Chief, then two years as Chief, of the General Litigation Division. Mr. Eccles is a graduate of the Texas Tech School of Law, and received his B.A. from the University of Texas at Austin.

MARGARET "MARNI" HOLLOWAY, Director of the Multifamily Finance Division. Ms. Holloway joined the Issuer in May 2009 in the Neighborhood Stabilization Program. She moved to her current position in September 2015, where she is responsible for the oversight of the Issuer's Multifamily Finance allocation and award processes for multiple fund sources. Ms. Holloway has more than 15 years of experience in real estate finance and affordable housing production. She attended St. Edward's University.

The offices of the Issuer are located at 221 East 11th Street, Austin, Texas 78701-2410, and the telephone number for the Issuer is 512/475-3800 or toll-free 800/525-0657.

THE BONDS, TOGETHER WITH INTEREST THEREON, ARE SPECIAL AND LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE REVENUES, RECEIPTS AND SECURITY PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE UNITED STATES OF AMERICA, THE STATE, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC OF THE STATE OR ANY AGENCY OF THE UNITED STATES OF AMERICA OR ANY ISSUER THEREOF, WILL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR FOR THE PERFORMANCE OF ANY PLEDGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER OF THE ISSUER, AND NONE OF THE BONDS OR ANY OF THE ISSUER'S AGREEMENTS OR OBLIGATIONS WILL BE CONSTRUED TO CONSTITUTE AN INDEBTEDNESS OF THE UNITED STATES OF AMERICA, THE STATE, THE ISSUER, OR ANY OTHER POLITICAL SUBDIVISION OR BODY CORPORATE AND POLITIC OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER. THE BONDS ARE NOT AN OBLIGATION, DEBT OR LIABILITY OF THE STATE, AND DO NOT CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE.

Other Indebtedness of the Issuer

Single Family Mortgage Revenue Bonds. Since 1979, the year of creation of the Agency, through September 30, 2017, there have been issued by the Agency or the Issuer thirty-six series of Residential Mortgage Revenue Bonds, two series of GNMA Collateralized Home Mortgage Revenue Bonds, fifty-eight series of Single Family Mortgage Revenue Bonds, four series of Junior Lien Single Family Mortgage Revenue Bonds, eleven series of Collateralized Home Mortgage Revenue Bonds, and ten series of Single Family Mortgage Revenue Bonds (Collateralized Home Mortgage Revenue Bonds). As of September 30, 2017, the aggregate outstanding principal amount of bonded indebtedness of the Issuer for single family purposes was $511,589,279.

Multifamily Housing Revenue Bonds. The Issuer and the Agency, through September 30, 2017, have issued two-hundred twenty-two series of multifamily housing revenue bonds, which have been issued pursuant to separate trust indentures and are secured by individual trust estates that are separate and distinct from each other. As of September 30, 2017, the aggregate outstanding principal amount of multifamily housing revenue bonds was $874,917,884.

THE BONDS

The Bonds are available in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" below. So long as Cede & Co., as nominee of The Depository Trust Company, is the registered owner of the Bonds, references herein to the Bondholders or holders or registered owner or owners of the Bonds mean Cede & Co. and not the beneficial owners of the Bonds.

General

The Bonds are issuable in the denomination of $5,000 principal amount or any integral multiple of $5,000 in excess thereof. The Bonds will be dated as of the date of delivery, will bear interest at the rate set forth on the cover page hereof, will accrue interest from their date of delivery, will be subject to mandatory tender for purchase on December 1, 2019 and are not subject to optional redemption prior to the Mandatory Tender Date as set forth herein and in the Indenture. Interest will be payable on each June 1 and December 1, commencing June 1, 2018 in accordance with the provisions of the Indenture. Interest will be calculated and be due on the basis of a 360-day year consisting of twelve 30-day months. Principal of and interest on the Bonds will be payable by the Trustee to Cede & Co. as nominee of DTC. See "BOOK-ENTRY ONLY SYSTEM" below.

Special Obligations

NOTWITHSTANDING ANYTHING IN THE INDENTURE TO THE CONTRARY, ANY OBLIGATION THAT THE ISSUER MAY INCUR UNDER THE INDENTURE OR UNDER ANY INSTRUMENT EXECUTED IN CONNECTION THEREWITH THAT SHALL ENTAIL THE EXPENDITURE OF MONEY SHALL NOT BE A GENERAL OBLIGATION OF THE ISSUER, BUT SHALL BE A SPECIAL LIMITED OBLIGATION PAYABLE SOLELY FROM THE TRUST ESTATE ESTABLISHED UNDER THE INDENTURE. THE BONDS SHALL CONSTITUTE A VALID CLAIM OF THE RESPECTIVE HOLDERS THEREOF AGAINST THE TRUST ESTATE, WHICH IS PLEDGED TO SECURE THE PAYMENT OF THE BOND SERVICE CHARGES AND WHICH SHALL BE UTILIZED FOR NO OTHER PURPOSE, EXCEPT AS EXPRESSLY AUTHORIZED IN THE INDENTURE. THE BONDS, TOGETHER WITH INTEREST THEREON, SHALL BE LIMITED OBLIGATIONS OF THE ISSUER GIVING RISE TO NO CHARGE AGAINST THE ISSUER'S GENERAL CREDIT AND PAYABLE SOLELY FROM, AND CONSTITUTE CLAIMS OF THE HOLDERS THEREOF AGAINST ONLY, THE TRUST ESTATE. THE BOND SERVICE CHARGES SHALL NOT BE DEEMED TO CONSTITUTE DEBT OF THE ISSUER (EXCEPT TO THE EXTENT OF THE TRUST ESTATE). THE BONDS ARE NOT AND DO NOT CREATE OR CONSTITUTE IN ANY WAY AN OBLIGATION, A DEBT OR A LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR CREATE OR CONSTITUTE A PLEDGE, GIVING OR LENDING OF THE FAITH, CREDIT, OR TAXING POWER OF THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF. THE ISSUER HAS NO TAXING POWER.

Optional Redemption

The Bonds are subject to optional redemption on or after the Mandatory Tender Date, in whole by the Issuer at the written direction of the Borrower on any date on or after the later to occur of (i) the date the Development is placed in service or (ii) such date on or after the Mandatory Tender Date as may be designated by the Borrower in consultation with the Remarketing Agent (the "Optional Redemption Date"), at a redemption price equal to 100% of the principal amount of the Bonds, plus accrued interest to the Redemption Date.

Notice of Optional Redemption

Notices of redemption are to be given as described in the Indenture. At least 30 days prior to the date fixed for redemption, the Trustee is to send official notice of redemption by first class mail, postage prepaid, to the Holder of each Bond to be redeemed, at the address of such Holder shown on the register at the opening of business on the fifth day prior to such mailing. So long as DTC is the registered owner of the Bonds, notice of any redemption with respect to Bonds will be given only to DTC or its nominee in the manner required by DTC. Any failure of DTC to notify the Beneficial Owners of any such notice and its contents or effect will not affect the validity of such notice of any proceedings for the redemption of such Bonds. Failure to receive notice by mailing, or any defect in that notice regarding any Bond, shall not affect the validity of the proceedings for the redemption of any other Bond.

Mandatory Tender

The Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date (December 1, 2019) and shall be purchased at a price equal to 100 percent of the principal amount of such Bonds, plus accrued interest, if any to the Mandatory Tender Date, and without premium. No later than 10:00 a.m., New York City time, on the Mandatory Tender Date, the Holders shall deliver the Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 1:30 p.m. New York City time on the Mandatory Tender Date, in the following priority; (i) amounts representing proceeds of remarketed Bonds received pursuant to the Indenture, to pay the principal amount, plus accrued interest, of Bonds tendered for purchase, (ii) amounts on deposit in the Collateral Fund and the Project Fund, to pay the principal amount of Bonds tendered for purchase, (iii) amounts on deposit in the Negative Arbitrage Account of the Bond Fund to pay the accrued interest, if any, on Bonds tendered for purchase, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrower.

In the event that the conditions for remarketing set forth in the Indenture are not satisfied and/or the Trustee shall not have received remarketing proceeds on the Mandatory Tender Date equal to the principal amount of the Bonds Outstanding on such date, the Bonds shall be purchased in whole on the Mandatory Tender Date using amounts on deposit in the Collateral Fund, the Project Fund and the Bond Fund, and, immediately following such purchase, the Bonds shall be deemed redeemed on the Mandatory Tender Date and cancelled by the Trustee.

Not less than 30 days before the Mandatory Tender Date, the Trustee shall give written notice of tender and remarketing to the Holders by first class mail, postage prepaid, at their respective addresses as they appear on registration books kept by the Trustee as bond registrar. The notice shall state the Mandatory Tender Date and that:

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

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

(3) Holders will not have the right to elect to retain their Bonds and any Bonds not tendered will nevertheless be deemed to have been tendered and will cease to bear interest from and after the Mandatory Tender Date; and

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

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

No Additional Parity Bonds

The Indenture does not permit the Issuer to issue additional indebtedness prior to or on a parity with the Bonds.

BOOK-ENTRY ONLY SYSTEM

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

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be initially issued and issuable only as one fully registered Bond certificate for each maturity, registered in the name of Cede & Co. as partnership nominee of DTC. Those fully registered Bonds will be deposited with and retained in the custody of DTC.

For ease of reference in this and other discussions, reference to "DTC" includes when applicable any successor securities depository and the nominee of the depository.

For all purposes under the Bond proceedings, DTC will be and will be considered by the Issuer and the Trustee to be the owner or Holder of the Bonds.

Owners of book entry interests in the Bonds (book entry interest owners) will not receive or have the right to receive physical delivery of Bonds, and will not be or be considered by the Issuer and the Trustee to be, and will not have any rights as, owners or holders of Bonds under the Bond proceedings.

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the book entry interest owner) is in turn to be recorded on the Direct and Indirect Participant's records. Book entry interest owners will not receive written confirmation from DTC of their purchase, but are 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 book entry interest owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of book entry interest owners. Book entry interest 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 (see "Replacement Bonds").

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 actual ownership. DTC has no knowledge of the book entry interest owners (or 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 book entry interest owners. 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 book entry interest owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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 the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and debt service 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 the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to book entry interest 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 debt service 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 book entry interest owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. The Issuer may decide to discontinue use of the book entry system if DTC (or a successor securities depository) determines not to continue to act as securities depository for the Bonds. See "Replacement Bonds."

Direct Participants and Indirect Participants may impose service charges on book entry interest owners in certain cases. Purchasers of book entry interests should discuss that possibility with their brokers.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds will be secured by amounts on deposit under the Indenture, which shall constitute Eligible Funds and shall be invested in Eligible Investments and such amounts will be sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due on the Mandatory Tender Date, as further described herein.

General

The Indenture requires the Bonds to be secured at all times by Eligible Investments sufficient to pay, without need for reinvestment, all of the interest and principal on the Bonds when due on the Mandatory Tender Date, 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 and securities deposited therein and (except for the Rebate Amount (as defined in the Tax Exemption Agreement) required to be rebated to the United States of America under the Code in connection with the Bonds, as described in the Tax Exemption Agreement) the projected investment earnings thereon and the proceeds derived therefrom, (iii) the proceeds derived from the sale of the Bonds (subject to the provisions of the Bond Resolution), (iv) the Loan Agreement, including all amendments, extensions and renewals of the terms thereof, if any, (v) the Note, including all amendments, extensions and renewals of the terms thereof, if any, (vi) the Bond Mortgage, including all amendments, extensions and renewals of the terms thereof, if any, and (vii) any and all other real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind pledged, assigned or transferred, as and for additional security under the Indenture by the Issuer or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized 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, 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 Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund; any money and investments in the Project Fund and the Collateral Fund; and 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.

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 and amounts on deposit in the Negative Arbitrage Account of the Bond Fund and the Project Fund, and the projected investment earnings thereon, will be sufficient to pay such Bond Service Charges and such amounts will be a credit against the Borrower's payment obligations under the Loan Agreement and the Note.

Investment of Special Funds; Eligible Investments

On the Closing Date, all amounts on deposit in the Special Funds will be invested in Eligible Investments at the written direction of the Authorized Borrower Representative. It is anticipated that Bond Service Charges will be paid from amounts on deposit in the Special Funds and any investment earnings thereon.

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 Liberty Crossing TC I, LP, a Texas limited partnership, a single asset entity formed for the specific purpose of acquiring, constructing and owning the Development. Liberty Crossing GP, LLC, a Texas limited liability company (the "General Partner"), will have a 0.0025% ownership interest in the Borrower. Liberty Crossing GHD GP, LLC, a Texas limited liability company ("Liberty Crossing GHD"), will have a 0.0025% ownership interest in the Borrower. 42EP IBC Fund II, LP, a Delaware limited partnership (the "Investor Limited Partner"), will own a 99.99% interest in the Borrower. 42EP SLP, LLC, a Delaware limited liability company (the "Special Limited Partner"), will have a 0.005% ownership interest in the Borrower.

The developer of the Development is Liberty Multifamily, LLC, a Texas limited liability company (the "Developer"), whose sponsor is Tyler Weir. Mr. Weir has completed infrastructure work on over 40 apartment complexes across the Dallas-Fort Worth Area, has experience managing construction crews across Texas and Oklahoma, and currently oversees an equipment fleet valued in excess of $25,000,000. Richard Ashton, a Certified Housing Credit Professional, leads the Developer's tax credit multifamily housing division and has been a developer consultant on multiple multifamily housing developments financed with tax-exempt bonds across the nation.

Investor Limited Partner

Prior to the issuance of the Bonds, the Borrower expects to enter into a commitment with the Investor Limited Partner to sell to it a 99.99% ownership interest in the Borrower. The equity funding arrangements for such ownership interest will require that equity contributions be paid in stages during and after construction of the Development and are expected to be in the amounts set forth under "PLAN OF FINANCING" herein. 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 those initially anticipated and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

The Contractor

The Contractor for the Development will be Broaddus Emli Joint Venture (the "Contractor"), a joint venture by and between Leadership Development Council, Inc., a Texas nonprofit corporation ("LDC"), and Broaddus Construction, LLC, a Texas limited liability company ("Broaddus"). Broaddus has completed construction or rehabilitation of almost 700 units with a total dollar value of over $60,000,000 throughout the state of Texas.

The Architect

The architect for the Development is Fielder & Associates, d/b/a Fielder Group Architects, Thomas E. Fielder, A.I.A., President (the "Architect"). The Architect has over 40 years of experience designing multifamily properties and has actively participated in various types of housing and development, from single-family homes to high-rise senior apartment buildings and master-planned communities. The Architect's work in housing includes historic preservation through the adaptive reuse of existing buildings for senior housing; modernization of public housing; and development consulting for affordable rental, market rate rental and for-sale housing. The Architect has served as an architect, owner, developer or consultant for more than 150 successful housing communities in 10 states. The Architect is currently registered in Texas, New Mexico, Tennessee, Kentucky, Ohio, Indiana, Alabama and Georgia.

The Managing Agent

The Development will be managed by Capstone Real Estate Services, Inc., a Texas corporation (the "Managing Agent"). Founded in 1969, the Managing Agent maintains thirteen offices across five states and employs approximately 850 people in the property management field. Currently, the Managing Agent manages affordable communities totaling over 21,000 units in over 75 cities. In addition to the Managing Agent's experience with low income housing tax credit equity, tax-exempt bond, and Section 8 projects, the Managing Agent also has experience constructing projects in accordance with the Resolution Trust Corporation's Affordable Housing Disposition Program, the Walker Program, Section 202 Elderly, and various other housing programs. Since 1994, the Managing Agent has placed in service over 175 new construction properties totaling over 33,000 units in 58 cities across six states.

Limited Assets and Obligation of Borrower, General Partner and Limited Partners

The Borrower has no substantial assets other than the Development and does 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 Development. However, the affiliates of the General Partner, Liberty Crossing GHD, and the Investor Limited Partner are engaged in and will continue to engage in the acquisition, development, rehabilitation, construction, ownership and management of similar types of housing developments. They may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Development.

The obligations and liabilities of the Borrower under the Loan Agreement and the Note are of a non-recourse nature and are limited to the Development and money derived from the operation of the Development. 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 Development. Accordingly, neither the Borrower's financial statements nor those of its partners are included in this Official Statement.

The Lender

Barings Multifamily Capital LLC, a Michigan limited liability company (the "Lender"), will upon satisfaction of certain conditions precedent make the Mortgage Loan to the Borrower. The Lender is a mortgage banking firm specializing, among other things, in FHA-insured construction and permanent mortgage loans. The Lender has been approved by HUD as an eligible issuer and servicer of loans guaranteed by GNMA. To be approved by GNMA to issue GNMA guaranteed certificates with respect to long-term mortgages on multifamily developments, the Lender is required to have a net worth (based on audited financial statements) equal to at least $500,000 plus 0.2% of any securities outstanding in excess of $35 million.

THE DEVELOPMENT

The following information concerning the Development 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 Development is comprised of 240 residential apartment units in 10 buildings on an approximately 21-acre site, located at 307 S. Goode Road, Wilmer, Dallas County, Texas 75172. The buildings are new construction. Amenities within the Development include a clubhouse which will house the meeting room, business center, coffee bar, internet café, game room, party area/kitchenette with warmer, fitness center and a technology center. The Development will also provide a swimming pool, picnic area, community garden, playground, volleyball court, neighborhood network, service coordinator, computer room, laundry facility, on-site management, on-site maintenance, limited access gate, perimeter fencing, library, gazebo, car wash area, pet park, pet grooming station with groomer washers, bus stop (which will be coordinated with area employers), after school care including English as a second language; music program; computer center; college prep; and career workforce readiness.

The unit mix for the units of the Development will be as follows:

Number of Units	Unit Type	Average Square Feet
84	1 Bedroom	760
84	2 Bedroom	989
60	3 Bedroom	1,203
12	4 Bedroom	1,203

Construction of the Development is expected to commence promptly after the Closing Date and is expected to be completed within 16 months thereafter. The Development is part of a master planned community that will include residential, retail, and medical facilities to the Union Pacific Intermodal hub located in Wilmer, Texas.

In-unit amenities include a range/oven, refrigerator, garbage disposal, dishwasher, microwave, washer/dryer hook-ups, tile and hardwood flooring, blinds, ceiling fans, walk-in closets, coat closet, balcony and patio.

Development Regulation

The Borrower intends to acquire, construct and operate the Development 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 Regulatory Agreement. Under the Regulatory 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 Development 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 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 date on which at least fifty percent (50%) of the units in the Development are occupied, (b) the first date on which no tax-exempt private activity bonds issued with respect to the Development are outstanding for federal income tax purposes, or (c) the date on which any assistance provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates. The Regulatory Agreement will also require that for the State Restrictive Period (as defined therein), 100% of the dwelling units in the Development (except for dwelling units reserved for a resident manager, security personnel and maintenance personnel) are reserved for tenants whose combined Annual Income (as defined therein) does not exceed 140% of the 60% Multifamily Tax Subsidy Program Income Limit (as defined therein), which is adjusted for family size. The Regulatory Agreement further requires that 5% of the units within the Development will be available for occupancy by Persons with Special Needs (as defined therein). The failure of the Borrower to comply with the Regulatory 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 REGULATORY AGREEMENT".

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

PLAN OF FINANCING

The following information concerning the plan of financing 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 total cost of the Development is estimated by the Borrower to be approximately $35,646,465, not including accrued interest on the Bonds.

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

Sources of Funds:	
Mortgage Loan	$22,300,000
Tax Credit Equity	12,307,662
Deferred Developer Fee	1,038,803
Total Sources	$35,646,465
Uses of Funds:	
Land Acquisition Costs	$1,764,000
Construction	23,843,007
Costs of Issuance	2,911,799
Soft Costs	1,728,558
Developer Fee	3,929,637
Reserves	1,469,464
Total Uses	$35,646,465

The Mortgage Loan. The Development will utilize a mortgage loan (the “Mortgage Loan”) insured by the Federal Housing Administration (“FHA”) under Section 221(d)(4) of the National Housing Act of 1934, as amended, and applicable regulations promulgated thereunder. The Mortgage Loan is expected to be in the original principal amount of $22,300,000 and is to bear interest at the rate of 4.09% per annum. The Mortgage Loan proceeds will be disbursed by the Mortgage Lender to the Borrower based upon approved advances. Such advances will be evidenced by the Mortgage Note, secured by a Mortgage on the land on which the Development is located and a Fee Simple Mortgage on the buildings and improvements for the Development, and the Mortgage Lender will issue, with respect to the Mortgage Note, fully amortized mortgage-backed securities (“GNMA Securities”) guaranteed as to timely payment of principal and interest by the Government National Mortgage Association ("GNMA"). In connection with each advance of the Mortgage Loan, funds from the Mortgage Lender will be deposited into the Collateral Fund (along with other Collateral Payments), thereby permitting the Trustee to transfer a like amount of Bond proceeds from the Project Fund to pay the development costs pursuant to the Indenture. The Mortgage Loan will mature in, and be amortized over, 40 years.

The Tax Credit Equity. In addition to the proceeds of the Bonds, the Development will be financed with an equity contribution from the sale of the Tax Credits, which will pay for the costs of issuance and a portion of several other costs of the Development. The Investor Limited Partner will own in the aggregate a 99.99% partnership interest in the Borrower. In connection with this interest, the Tax Credit equity expected to be contributed is approximately $12,307,662 with an initial equity contribution of approximately $2,953,839. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Issuer nor the Underwriter makes any representation as to the availability of such funds.

At closing, International Bank of Commerce, a Texas state banking corporation (the "Bridge Lender") will advance a portion of the proceeds of the Tax Credit equity in the form of a bridge loan (the "Bridge Loan"), on behalf of the Borrower, to fund the deposit to the Negative Arbitrage Account of the Bond Fund. The deposit to the Negative Arbitrage Account of the Bond Fund has been calculated to be sufficient to pay, together with projected investment earnings on Eligible Investments deposited with the Trustee at closing, and without the need for reinvestment, interest on the Bonds to but not including the Mandatory Tender Date.

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

Sources of Funds:	
Bond Proceeds	$17,600,000
Collateral Payments	17,600,000
Total	$35,200,000
Uses of Funds:	
Project Fund	$17,600,000
Collateral Fund	17,600,000
Total	$35,200,000

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 projected 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. See "VERIFICATION REPORT" herein.

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.

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 of the Bond Fund, and the projected investment earnings thereon. Although the Borrower will execute the Note to evidence its obligation to repay the Loan, it is not expected that any revenues from the Development or other amounts, except money in the Special Funds, and the projected interest earnings therein, will be available to satisfy that obligation. The Indenture requires the Trustee to verify, before any disbursement of funds from the Project Fund, that the sum of the funds on deposit in the Project Fund and the Collateral Fund is at least equal to the then outstanding principal amount of the Bonds. Funds on deposit in the Collateral Fund and Negative Arbitrage Account of the Bond Fund, and the projected interest earnings thereon, will be sufficient to pay the debt service on the Bonds.

Limited Security for Bonds

The Bonds are special limited obligations of the Issuer payable solely from the Trust Estate, which includes certain funds pledged to and held by the Trustee pursuant to the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

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 Development or any other security. As a consequence, limited information about the Development 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 Development or any other security.

The principal of and interest on the Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture. On the date of delivery of the Bonds, an amount equal to the principal amount of the Bonds is to be deposited in the Project Fund, and an amount that has been calculated to be sufficient to pay, together with projected investment earnings on Eligible Investments deposited with the Trustee at closing, and without the need for reinvestment, interest payments on the Bonds from the date of delivery to but not including the Mandatory Tender Date is to be deposited in the Negative Arbitrage Account. Such amounts are to be invested in Eligible Investments pursuant to the Indenture.

The Trustee is required to invest amounts held in the Special Funds in Eligible Investments, as defined in the Indenture. See "APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Investment of Special Funds and Rebate Fund." Debt service on the Bonds has been scheduled assuming that the amounts held in the Special Funds earn no interest prior to the Mandatory Tender Date. Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

The Bonds are not secured by the Mortgage Loan or any GNMA Certificate. The Bonds are secured by the Bond Mortgage, but any security provided by the Bond Mortgage is severely limited (see "Substantial Limitations on Bond Mortgage" below). Investors should look exclusively to amounts on deposit in the Special Funds under the Indenture and projected investment earnings on each as the source of payment of debt service on the Bonds.

Future Determination of Taxability of the Bonds

The Bonds would not be subject to redemption, and the rate of interest on the Bonds would not be subject to adjustment, if the interest on the Bonds were to become included in gross income for purposes of federal income taxation. Such event could occur if the Borrower (or any subsequent owner of the Development) does not comply with the provisions of the Regulatory Agreement and the Loan Agreement that are designed, if complied with, to satisfy the continuing compliance requirements of the Code in order for the interest on the Bonds to be excludable from gross income for purposes of federal income tax.

Substantial Limitations on Bond Mortgage

Although the Borrower will deliver the Bond Mortgage to the Issuer (to be assigned to the Trustee) in order to comply with the requirements of the Act, the Bond Mortgage is subordinate to the Mortgage Loan and the Trustee will have little or no practical means to realize any proceeds by foreclosing on the Bond Mortgage in the event of a default on the Bonds. Accordingly, prospective owners of the Bonds should not look at the value of the Development, but solely to the other security for the Bonds in making an investment decision with respect to the Bonds.

Enforceability of Remedies upon an Event of Default

The remedies available to the Trustee and the owners of the Bonds upon an Event of Default under the Indenture, the Loan Agreement, the Regulatory Agreement or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited, and the Borrower will have no personal liability for the satisfaction of any obligation of the Borrower under such agreements or of any claim against the Borrower arising out of such agreements or the Indenture.

If a default in the payment of the Loan occurs and is continuing, the Issuer has agreed with the Borrower and the Lender not to commence foreclosure proceedings with respect to the Development or exercise any other rights or remedies it may have under the Note or the Loan Agreement, including, but not limited to, accelerating the Loan, without the Lender's prior written consent.

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 written direction of the Authorized Borrower Representative. See "APPENDIX A – DEFINITIONS OF CERTAIN TERMS" hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Project Fund or the Collateral Fund.

Subordination to Mortgage Loan Documents

The Indenture, the Loan Agreement, the Note and the Regulatory Agreement contain provisions regarding subordination of such documents to the Mortgage Loan Documents 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 AND MORTGAGE LOAN DOCUMENTS TO CONTROL" herein.

Future Legislation; IRS Examination

The Development, 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 Development, 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 Development and certain other matters. See "TAX MATTERS" herein. No assurance can be given that the IRS will not examine the Issuer, the Borrower, the Development or the Bonds. If the Bonds are examined, it may have an adverse impact on their price and marketability.

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

Pursuant and subject to the terms and conditions set forth in a Purchase Contract (the "Bond Purchase Agreement"), among Raymond James & Associates, Inc. (the "Underwriter"), the Issuer and the Borrower, the Underwriter has agreed to purchase the Bonds at the price of par. For its services relating to the transaction, the Underwriter will receive a fee of $106,715.18 (which amount does not include fees for the Underwriter's counsel). From its fee, the Underwriter will be obligated to pay certain costs and expenses of the financing. 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. Pursuant to the Bond Purchase Agreement, the Borrower has agreed to indemnify the Underwriter and the Issuer against certain civil liabilities, including liabilities under federal securities laws. It is intended that the Bonds will be offered to the public initially at the offering 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 the Bonds 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 price 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. may also receive compensation for serving as bidding agent for conducting a competitive bid procurement process for the investment of some or all of the proceeds of the Bonds.

In addition to serving as Underwriter, Raymond James & Associates, Inc. has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with the remarketing, if any, of the Bonds on the 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 and/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.

FINANCIAL ADVISOR

George K. Baum & Company (the "Financial Advisor") has served as financial advisor to the Issuer for purposes of assisting the Issuer with the development and implementation of the bond program in connection with the Bonds. The Financial Advisor has not been engaged by the Issuer to compile, create or interpret any information in this Official Statement relating to the Issuer, including (without limitation) any of the Issuer's financial and operating data, whether historical or projected. Any information contained in this Official Statement concerning the Issuer, any of its affiliates or contractors and any outside parties has not been independently verified by the Financial Advisor, and inclusion of such information is not and should not be construed as a representation by the Financial Advisor as to its accuracy or completeness or otherwise. The Financial Advisor is not a public accounting firm, and has not been engaged by the Issuer to review or audit any information in this Official Statement in accordance with accounting standards.

The Financial Advisor does not assume any responsibility for the covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

TAX MATTERS

Tax Exemption

In General

In the opinion of Bracewell LLP, assuming compliance with certain covenants and based on certain representations under existing law, (i) interest on the Bonds is excludable from gross income for federal income tax purposes, except with respect to interest on any Bond during any period while it is held by a "substantial user" of the Development or a "related person" of such a "substantial user" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not subject to the alternative minimum tax imposed on individuals and corporations.

The Code imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include, among other things, limitations on the use of the bond-financed project, limitations on the use of bond proceeds, limitations on the investment of bond proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of bond proceeds be paid periodically to the United States, and a requirement that the Issuer file an information report with the Internal Revenue Service (the "Service"). The Issuer and the Borrower have covenanted in the Indenture, Loan Agreement and Regulatory Agreement that they will comply with these requirements.

Bracewell LLP's opinion will assume continuing compliance with the covenants of the Indenture, Loan Agreement and Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Issuer, the Borrower and the Underwriter with respect to matters solely within the knowledge of the Issuer, the Borrower and the Underwriter, respectively, which Bracewell LLP has not independently verified. If the Issuer or the Borrower should fail to comply with the covenants in the Indenture, Loan Agreement and Regulatory Agreement or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become includable in gross income for federal income tax purposes from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Interest on the Bonds is not treated as an "item of tax preference" to be included in the computation of "alternative minimum taxable income" for an individual or a corporation. Furthermore, interest on the Bonds is not treated as includable in the "adjusted current earnings" of a corporation for purposes of computing its alternative minimum tax liability.

Except as stated above, Bracewell LLP will express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or the acquisition, ownership or disposition of, the Bonds. Certain actions may be taken or omitted subject to the terms and conditions set forth in the Indenture upon the advice or with the approving opinion of nationally-recognized bond counsel. Bracewell LLP will express no opinion with respect to Bracewell LLP's future ability to render an opinion that such actions, if taken or omitted, will not adversely affect the exclusion of interest of the Bonds from gross income for federal income tax purposes.

Bracewell LLP's opinions are based on existing law, which is subject to change. Such opinions are further based on Bracewell LLP's knowledge of facts as of the date thereof. Bracewell LLP assumes no duty to update or supplement its opinions 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, Bracewell LLP 's opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent Bracewell LLP'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 Holders may not have a right to participate in such audit. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit regardless of the ultimate outcome of the audit.

Operation of the Development

In the case of tax-exempt bonds used to provide "qualified residential rental projects," such as the Bonds, Section 142 of the Code requires that such bonds satisfy the tenant eligibility requirements applicable to "qualified residential rental projects" under Section 142(d) of the Code. Subject to a transition period allowed to certain rehabilitation projects, Section 142(d) of the Code requires that, at all times during the "qualified project period," a certain percentage of the available units in the Development be occupied by individuals with income below certain levels pursuant to the Issuer's election made under Section 142(d)(1) of the Code. The "qualified project period" for the Development will commence on the first day on which 10 percent of the units in the Development are occupied and will end on the latest of the following: (1) the date that is 15 years after the date on which at least 50 percent of the units in the Development are first occupied; (2) the first date on which no tax-exempt private activity bond (as defined in Section 141 of the Code) with respect to the Development remains outstanding; or (3) the date on which any assistance provided with respect to the Development under Section 8 of the United States Housing Act of 1937, as amended, terminates. Treasury Regulations (the "Regulations") setting forth requirements for compliance with a comparable provision of the predecessor of Section 142 of the Code require, among other things, that (1) the low-income set aside requirement must be met on a continuous basis during the "qualified project period," and (2) all of the units in the Development must be rented or available for rental to the general public on a continuous basis during such period. Under the Regulations, the failure to satisfy the foregoing requirements on a continuous basis or the failure to satisfy any of the other requirements of the Regulations, unless corrected within a reasonable period of not more than 60 days after such non-compliance is first discovered or would have been discovered by the exercise of reasonable diligence, will cause interest on the Bonds to be includable in gross income for federal income tax purposes as of the date of their original issue, irrespective of the date such non-compliance actually occurred.

The Issuer has established requirements, procedures and safeguards that it believes to be sufficient to ensure compliance with the requirements of the Code and the Regulations with respect to the Development. Such requirements, procedures and safeguards are incorporated into the Regulatory Agreement, the Loan Agreement and the Indenture. In addition, the Issuer and the Trustee have each covenanted in the Indenture to follow and enforce such procedures to ensure compliance with such requirements. However, no assurance can be given that in the event of a breach of any of the provisions or covenants described above, the remedies available to the Issuer and the Trustee can be judicially enforced in such manner as to assure compliance with the Code and therefore to prevent the loss of the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

Furthermore, if the Borrower fails to comply with the Regulatory Agreement or the Loan Agreement, the enforcement remedies available to the Issuer, the Trustee and the Owners are severely limited and may be inadequate to prevent the loss of the excludability from gross income for federal income tax purposes of the interest on the Bonds retroactive to the date of issuance of the Bonds. In such event, there is no provision for acceleration or redemption of the Bonds, and the holders of the Bonds may be required to hold the Bonds until maturity bearing interest that is includable in gross income for federal income tax purposes.

Bracewell LLP's opinions assume continuous compliance with all covenants and requirements set forth in the Regulatory Agreement pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. Prospective purchasers should be aware that the United States Department of Housing and Urban Development ("HUD") has required the inclusion of a rider to the Regulatory Agreement (the "HUD Rider") that provides that any action taken under the Regulatory Agreement may not conflict with the Mortgage Loan Documents and the Program Obligations (as defined in the HUD Rider). The HUD Rider also provides that the Regulatory Agreement will terminate in the event of foreclosure of the Development. Bracewell LLP expresses no opinion as to whether any of the covenants and requirements set forth in the Regulatory Agreement conflict with the Mortgage Loan Documents and Program Obligations. Furthermore, Bracewell LLP expresses no opinion as to the initial and continuing exclusion of interest on the Bonds from gross income for federal income tax purposes in the event that (i) the provisions of the HUD Rider preclude compliance with any of the covenants or requirements of the Regulatory Agreement or (ii) the Regulatory Agreement terminates as the result of a foreclosure of the Development.

Tax Legislative Changes

Current law may change so as to directly or indirectly reduce or eliminate the benefit of the excludability of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, could also affect the value, marketability and liquidity of the Bonds. As of the date hereof, legislation has been introduced in the United States Congress that, if enacted, would make significant changes to the Code, including, among other provisions, changes to the federal income tax rates for individuals and corporations, and the elimination of the alternative minimum tax for tax years beginning after December 31, 2017. Furthermore, certain of the proposals would eliminate the excludability of interest from gross income for any private activity bonds issued after December 31, 2017, which could affect the Issuer's ability to refund the Bonds with tax-exempt bonds in the future. There can be no assurance whether any of the proposed changes to the Code will or will not be enacted into final law. **Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation to assess the impact of such legislation, if any.**

Additional Federal Income Tax Considerations

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the new "branch profits tax" on their effectively-connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences. Under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the taxable year.

RATING

The Bonds have been assigned the rating set forth on the cover hereof by S&P Global Ratings ("S&P").

The rating assigned to the Bonds described above reflects only the view of S&P at the time the rating was received, 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 will be provided at least annually to the Municipal Securities Rulemaking Board (the "MSRB") and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access (EMMA) system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as Appendix E.

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

CERTAIN LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Bonds will be subject to the approval of legality by Bracewell LLP, Austin, Texas, Bond Counsel, and by the Attorney General of the State of Texas. The form of the opinion of Bond Counsel is attached hereto as Appendix F. Certain legal matters will be passed upon for the Borrower by Shackelford, Bowen, McKinley & Norton, LLP, Dallas, Texas, and for the Underwriter by Norris George & Ostrow PLLC, Washington, D.C. Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

ABSENCE OF LITIGATION

The Issuer

It is a condition to the Underwriter's acceptance of the Bonds on the date of delivery that the Issuer deliver a certificate to the effect that there is no litigation pending or, to the knowledge of the Issuer, threatened, against the Issuer that in any way questions or affects the validity of the Bonds or any proceedings or transactions relating to their issuance.

The Borrower

It is a condition to the Underwriter's acceptance of the Bonds on the date of delivery that the Borrower deliver a certificate to the effect that there are no legal proceedings pending or, to the Borrower's knowledge threatened, to restrain or enjoin the issuance, sale or delivery of the Bonds or the payment, collection or application of the proceeds thereof or of the revenues and other money and securities pledged or to be pledged under the Indenture or in any way contesting or affecting any authority for or the validity of the Bonds or the Indenture.

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 Regulatory 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 Regulatory Agreement or the Loan Agreement, the enforcement of the Indenture, the Regulatory Agreement or the Loan Agreement shall not result in any claim against the Development, Collateral Payments (other than the amounts deposited with the Trustee as provided in the Indenture), 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 Development 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 Regulatory 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 Regulatory 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 Regulatory 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 Bond Mortgage, together with any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Bond Mortgage, and any and all other documents executed by the Borrower as required by HUD or GNMA in connection therewith.

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 mandatory tender, 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.

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.

LIBERTY CROSSING TC I, LP,
a Texas limited partnership

By: Liberty Crossing GP, LLC,
a Texas limited liability company,
its Co-General Partner

By: *<u>/s/ Tyler Weir</u>*
Name: Tyler Weir
Title: Manager

[Borrower Signature Page to Official Statement]

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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 Chapter 2306, Texas Government Code, as amended from time to time, and other applicable provisions of law.

"*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 provisions of the Loan Agreement.

"*Administrative Expenses*" means the Ordinary Trustee Fees and Expenses and the Issuer's Fees.

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

"*Authorized Borrower Representative*" means any person who, at any time and from time to time, is designated as the Borrower's authorized representative by written certificate furnished to the Issuer and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized 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.

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

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

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

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

"*Bond Counsel*" means any counsel nationally recognized as having an expertise in connection with the exclusion of interest on obligations of states and local governmental units from the gross income of holders thereof for federal income tax purposes, and initially shall mean Bracewell LLP, as bond counsel.

"*Bond Fund*" means the Bond Fund created in the Indenture.

"*Bond Mortgage*" means the subordinate Multifamily Deed of Trust, Security Agreement and Fixture Filing, dated of even date with the Indenture, from the Borrower to Kathy McQuiston for the benefit of the Trustee and the Issuer, as amended or supplemented from time to time.

"*Bond Payment Date*" means each Interest Payment Date and any other date Bond Service Charges on the Bonds are due, including any Redemption Date.

"*Bond Purchase Agreement*" means the Purchase Contract, dated December 6, 2017, among the Underwriter, the Issuer and the Borrower.

"*Bond Resolution*" means the certain resolution relating to the issuance and sale of the Bonds, adopted by the Governing Body on October 12, 2017.

"*Bond Service Charges*" means, for any period or payable at any time, the principal of, premium, if any, and interest on the Bonds for that period or payable at that time whether due at maturity or upon redemption or acceleration.

"*Bonds*" means the Issuer's Multifamily Housing Revenue Bonds (Emli at Liberty Crossing), Series 2017 authorized in the Bond Resolution and the Indenture in the original aggregate principal amount of $17,600,000.

"*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 Liberty Crossing TC I, LP, a Texas limited partnership, or a related person or Affiliate thereof.

"*Borrower Documents*" means the Financing Documents and the Mortgage Loan Documents to which the Borrower is a party.

"*Bridge Lender*" means International Bank of Commerce, a Texas state banking corporation.

"*Bridge Loan*" means the loan from the Bridge Lender to the Borrower made in connection with the funding of the Negative Arbitrage Account as provided in the Indenture.

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

"*Chair*" means the person serving as Chair of the Issuer.

"*Closing Date*" means December 20, 2017.

"*Code*" means the Internal Revenue Code of 1986, as amended and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import enacted after the date of the Indenture, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c).

"*Collateral Fund*" means the Collateral Fund created in the Indenture.

"*Collateral Payments*" means Eligible Funds paid 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 Indenture as a prerequisite to the disbursement of money held in the Project Fund; provided that, such amounts shall not include proceeds of the Bonds.

"*Completion Certificate*" means the certificate attached as an exhibit to the Loan Agreement.

"*Completion Date*" means the date the Development is substantially completed and available and suitable for use as multifamily housing, as set forth in the Completion Certificate.

"*Comptroller*" means the Comptroller of Public Accounts of the State of Texas.

"*Confirmation of Rating*" means a written confirmation, obtained prior to the event or action under scrutiny, from the Rating Agency to the effect that, following the proposed action or event under scrutiny at the time such confirmation is sought, the rating of the Rating Agency with respect to all Bonds then Outstanding and then rated by the Rating Agency will not be downgraded, suspended, qualified or withdrawn as a result of such action or event.

"*Continuing Disclosure Agreement*" means the Continuing Disclosure Agreement dated as of the date of the Indenture, 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.

"*Contractor*" means Broaddus Emli Joint Venture, a Texas joint venture.

"*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 costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, Costs of Issuance include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters' spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

"*Costs of Issuance Fund*" means the Costs of Issuance Fund created in the Indenture.

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

"*Designated Office*" of the Trustee means (1) with respect to notice requirements, the office of the Trustee at the notice address set forth in the Indenture and (2) with respect to presentment of the Bonds for payment, transfer or exchange, BOKF, NA, Corporate Trust Services, 111 Filmore Ave. E, St. Paul, Minnesota 55107 or at such other addresses as may be specified in writing by the Trustee, as provided in the Indenture.

"*Development*" means the 240-unit residential rental housing development known as Emli at Liberty Crossing, located at approximately 307 S. Goode Road, Wilmer, Dallas County, Texas 75172.

"*Disbursement Agreement*" means the Loan Disbursement Procedures Agreement, dated as of the date of the Indenture, among the Issuer, the Lender, the Borrower, the Secretary of Housing and Urban Development and the Trustee, as amended or supplemented from time to time.

"*Disbursement Request*" means a request for disbursement of Bond proceeds in the form attached as an exhibit to the Loan Agreement.

"*Dissemination Agent*" means the Trustee, or any successor, as Dissemination Agent 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;

(b) amounts paid by the Lender to the Trustee, whether from 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;

(c) the proceeds of the Bridge Loan;

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

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

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

(g) remarketing proceeds received from the Remarketing Agent or any purchaser of Bonds (other than funds provided by the Borrower, the Issuer, or any Affiliate of either the Borrower or the Issuer); and

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

"*Eligible Investments*" means any of the following investments to the extent authorized under State law which mature (or are redeemable at the option of the Trustee without penalty) at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

(a) Government Obligations; and

(b) to the extent authorized in the Indenture, shares or units in (i) BLACKROCK LIQ FEDFD-CSH RES #00U3, CUSIP 09248U-43-7 or (ii) 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 and receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, whose investment portfolio consists solely of direct obligations of the government of the United States of America.

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 Mandatory Tender Date, (ii) the Maturity Date and (iii) the Optional Redemption Date, if any (except (A) obligations that provide for the optional or mandatory tender, at par, by the holder of such obligations at any time and (B) Government Obligations irrevocably deposited with the Trustee for defeasance of Bonds), 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.

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

"*Favorable Opinion of Bond Counsel*" means, with respect to any action, or omission of an action, the taking or omission of which requires such an opinion, an unqualified written opinion of Bond Counsel to the effect that such action or omission will not adversely affect the Federal Tax Status of the Bonds (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Bonds or such other customary exceptions that are acceptable to the recipient(s) thereof).

"*Federal Tax Status*" means, as to the Bonds, the status of the interest on the Bonds as excludable from gross income for federal income tax purposes under existing law (except on any Bond for any period during which it is held by a "substantial user" of the Development or a "related person" to such a "substantial user," each within the meaning of Section 147(a) of 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 Bond Mortgage, the Tax Exemption Agreement, the Regulatory Agreement, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Disbursement 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.

"*General Partner*" means Liberty Crossing GP, LLC, a Texas limited liability company.

"*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 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 members of the governing board of the Issuer, or any governing body that succeeds to the functions of the governing board of the Issuer.

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

"*Government Obligations*" means direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the 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 U.S. Department of Housing and Urban Development Regulatory Agreement for Multifamily Housing Projects between the Borrower and HUD with respect to the Development, as the same may be supplemented, amended or modified from time to time.

"*Indenture*" means the Trust Indenture, dated as of December 1, 2017, 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 any Borrower or any Affiliate of any Borrower and in the case of an individual is not a director, trustee, officer, partner or employee of any Borrower or any Affiliate of any Borrower and in the case of an entity, does not have a partner, director, trustee, officer, partner or employee who is a director, trustee, officer or employee of any partner of any Borrower or any Affiliate of any Borrower.

"*Initial Bond*" means the initial Bond registered by the Comptroller and subsequently canceled and replaced by a definitive Bond pursuant to the Indenture.

"*Initial Borrower Deposit*" means funds in the amount of $300,455 to be contributed by or on behalf of the Borrower on the Closing Date, which is to be deposited as provided in the Indenture.

"*Interest Payment Date*" means (a) June 1 and December 1 of each year beginning June 1, 2018, and (b) the Redemption Date. In the case of payment of defaulted interest, "Interest Payment Date" also means the date of such payment established pursuant to the Indenture.

"*Interest Rate*" means 1.80%.

"*Interest Rate for Advances*" means the rate per annum that is 2% plus that interest rate announced by the Trustee in its lending capacity as a bank as its "Prime Rate" or its "Base Rate," whichever is greater and lawfully chargeable, in whole or in part.

"*Investor Limited Partner*" means 42EP IBC Fund II, LP, a Delaware limited partnership, and its successors and assigns.

"*Issuer*" means the Texas Department of Housing and Community Affairs, a public and official agency of the State, and its successors and assigns.

"*Issuer Administration Fee*" means the fee payable annually in advance to the Issuer on each December 1, in the amount of 0.10% per annum of the aggregate principal amount of Bonds Outstanding at the inception of each payment period. On the Closing Date, the Borrower will pay the Issuer Administration Fee from the Closing Date to November 30, 2019. The Trustee will remit to the Issuer (upon receipt of an invoice from the Issuer), payable solely from funds provided by the Borrower, all payments of the Issuer Administration Fee due on or after December 1, 2019.

"*Issuer Compliance Fee*" means the fee payable annually in advance to the Issuer on each December 1, in the amount of $25 per Low-Income Unit in the Development. The first annual bond compliance fee shall be paid on the Closing Date. The Trustee will remit to the Issuer (upon receipt of an invoice from the Issuer), solely from funds provided by the Borrower, all payments of the Issuer Compliance Fee due on or after December 1, 2020. The Issuer Compliance Fee is for bond compliance only, and an additional fee may be charged for tax credit compliance.

"*Issuer's Fees*" means, collectively, the Issuer Administration Fee and the Issuer Compliance Fee.

"*Issuer Documents*" means the Financing Documents to which the Issuer is a party.

"*Lender*" means Barings Multifamily Capital LLC, a Michigan limited liability company, its successors and assigns.

"*Loan*" means the mortgage loan secured by the Bond Mortgage 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 the date of the Indenture, 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 Payments*" means the amounts required to be paid by the Borrower in repayment of the Loan pursuant to the provisions of the Loan Agreement, the Note and the Bond Mortgage.

"*Local Time*" means Central time (daylight or standard, as applicable) in Austin, Texas.

"*Mandatory Tender Date*" means December 1, 2019.

"*Maturity Date*" means December 1, 2020.

"*Maximum Interest Rate*" means the interest rate equal to the lesser of (a) 12% per annum, or (b) the maximum interest rate per annum permitted by applicable State law.

"*Mortgage Loan*" means the mortgage loan to be made from the Lender to the Borrower in the principal amount of $22,300,000 with respect to the Development, as described and provided for in the FHA Commitment.

"*Mortgage Loan Documents*" means the mortgage, the mortgage note, the HUD Regulatory Agreement and all other documents required by the Lender and/or FHA 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 the date of the Indenture in connection with the Bonds, in the form attached to the Loan Agreement as an exhibit and in the principal amount of $17,600,000, evidencing the obligation of the Borrower to make Loan Payments.

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

"*Optional Redemption Date*" means such date on or after the Mandatory Tender Date as may be designated by the Borrower in consultation with the Remarketing Agent.

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

"*Ordinary Trustee Fees and Expenses*" means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance on each December 1, beginning December 1, 2018; provided that, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to money withdrawn from the Expense Fund, and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to the Loan Agreement. The Trustee's first annual fee shall be paid on the Closing Date for the period through November 30, 2018. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid as provided in the Indenture or directly by the Borrower pursuant to the Loan Agreement.

"*Organizational Documents*" means the Amended and Restated Limited Partnership Agreement of the Borrower dated December 20, 2017.

"*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 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 Development as now prepared and as they may be changed as provided in the Loan Agreement.

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

"*Project 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 Amount*" has the meaning specified for such term in the Tax Exemption Agreement.

"*Rebate Fund*" means the Rebate Fund created in the Indenture.

"*Redemption Date*" means any date under the Indenture on which Bonds are to be redeemed, including (a) the Maturity Date, (b) the date of acceleration of the Bonds or (c) as otherwise set forth 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 close of business on the 5th day of the calendar month next preceding each Interest Payment Date, whether or not such date is a Business Day.

"*Regulations*" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"*Regulatory Agreement*" means the Regulatory and Land Use Restriction Agreement, dated as of the date of the Indenture, by and among the Issuer, the Trustee and the Borrower, as amended or supplemented from time to time.

"*Remarketing Agent*" means initially Raymond James & Associates, Inc., and any successor Remarketing Agent that may be appointed by the Issuer.

"*Remarketing Agreement*" means the Remarketing Agreement, dated as of even date with the Indenture, between the Borrower and the Remarketing Agent.

"*Remarketing Notice Parties*" means the Borrower, the Issuer, the Trustee, the Remarketing Agent, the Investor Limited Partner and the Rating Agency.

"*Remarketing Rate*" means the interest rate or rates established pursuant to the Indenture and borne by the Bonds then Outstanding from and including the Mandatory Tender Date to the Maturity Date.

"*Reserved Rights*" of the Issuer means (a) all of the Issuer's right, title and interest in and to all reimbursement, costs, expenses and indemnification; (b) the right of the Issuer to amounts payable to it pursuant to the Loan Agreement, including the Issuer's Fees; (c) all rights of the Issuer to receive any Rebate Amount; (d) all rights of the Issuer to receive notices, reports or other information, and to make determinations and grant approvals or consent under the Indenture and under the other Financing Documents; (e) all rights of the Issuer of access to the Development and documents related thereto and to specifically enforce the representations, warranties, covenants and agreements of the Borrower set forth in the Tax Exemption Agreement and in the Regulatory Agreement; (f) any and all rights, remedies and limitations of liability of the Issuer set forth in the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Regulatory Agreement, the Bond Mortgage or the Note, as applicable, regarding (1) the negotiability, registration and transfer of the Bonds, (2) the loss or destruction of the Bonds, (3) the limited liability of the Issuer as provided in the Act, the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Regulatory Agreement, the Bond Mortgage or the Note, (4) no liability of the Issuer to third parties, and (5) no warranties of suitability or merchantability by the Issuer; (g) all rights of the Issuer in connection with any amendment to or modification of the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Regulatory Agreement, the Bond Mortgage and the Note, (h) any and all limitations of the Issuer's liability and the Issuer's disclaimers of warranties set forth in the Indenture, the Tax Exemption Agreement, the

Regulatory Agreement or the Loan Agreement, and the Issuer's right to inspect and audit the books, records and permits of the Borrower and the Development, and (i) any and all rights under the Loan Agreement and the Regulatory Agreement required for the Issuer to enforce or to comply with Section 2306.186 of the Texas Government Code.

"*Revenues*" means (a) the Loan Payments, (b) the Collateral Payments, (c) all other money received or to be received by the Trustee in respect of repayment of the Loan, including without limitation, all money and investments in the Bond Fund, (d) any money and investments in the Project Fund and the Collateral Fund, and (e) all income and profit from the investment of the foregoing money. The term "Revenues" does not include any money or investments in the Rebate Fund.

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

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

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

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

"*State*" means the State of Texas.

"*Supplemental Indenture*" means any indenture supplemental to the Indenture entered into between the Issuer and the Trustee in accordance with the requirements of the Indenture.

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

"*Tax Exemption Agreement*" means the Tax Exemption Agreement, dated as of even date with the Indenture, by and among the Issuer, the Trustee and the Borrower, as amended and supplemented from time to time.

"*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 thereof.

"*Trustee*" means BOKF, NA, 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 Trustee for redemption on a Redemption Date but that has not been received on the date such Bond is required to be so delivered.

"*Underwriter*" means Raymond James & Associates, Inc.

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APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

Establishment of Funds

The following funds are to be established and maintained by the Trustee under the Indenture:

(a) the Bond Fund, and therein the Negative Arbitrage Account (but only at such times as money is to be deposited or held in such account as provided in the Indenture);

(b) the Project Fund;

(c) the Costs of Issuance Fund;

(d) the Collateral Fund;

(e) the Rebate Fund; and

(f) the Expense Fund.

Each fund and account therein shall be maintained by the Trustee as a separate and distinct trust fund or account to be held, managed, invested, disbursed and administered as provided in the Indenture and the Tax Exemption Agreement. All money deposited in the funds and accounts created under the Indenture shall be used solely for the purposes set forth in the Indenture and the Tax Exemption Agreement. 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 may, in its discretion, establish such additional accounts within any fund, and subaccounts within any of the accounts, as the Issuer or the Trustee may deem necessary or useful for the purpose of identifying more precisely the sources of payments into and disbursements from that fund and its accounts, or for the purpose of complying with the requirements of the Code, but the establishment of any such account or subaccount shall not alter or modify any of the requirements of the Indenture with respect to a deposit or use of money in the Special Funds or the Rebate Fund, or result in commingling of funds not permitted under the Indenture.

Pursuant to the Tax Exemption Agreement, the Trustee shall cause to be kept and maintained adequate records pertaining to the investment of all proceeds of the Bonds sufficient to permit the Borrower, on behalf of the Issuer, to determine the Rebate Amount, if any, with respect to the Bonds required to be paid to the United States of America pursuant to Section 148 of the Code. The Trustee shall have no responsibility to make such determination.

Bond Fund

On the Closing Date, there shall be deposited in the Negative Arbitrage Account of the Bond Fund an amount equal to the interest to be paid on the Bonds from the Closing Date to the Mandatory Tender Date.

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 the Bond Service Charges due on the Bonds on such Bond Payment Date.

The Bond Fund (and the account 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: (i) from money on deposit in the Negative Arbitrage Account of the Bond Fund (but only to pay the interest portion of any Bond Service Charges), (ii) from money on deposit in the Bond Fund (other than the Negative Arbitrage Account), (iii) from money on deposit in the Collateral Fund and transferred as necessary to the Bond Fund, (iv) from money on deposit in the Project Fund and transferred as necessary to the Bond Fund and (v) from money on deposit in the Negative Arbitrage Account of the Bond Fund (to pay all Bond Service Charges).

Project Fund

Money in the Project Fund shall be disbursed in accordance with the provisions described under this caption and in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – Disbursements from the Project Fund."

Upon the deposit of Collateral Payments in the Collateral Fund as provided under the caption "Collateral Fund" below, and subject to the provisions described under this caption, the Trustee may disburse the Bond proceeds on deposit in the Project Fund in accordance with the provisions described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – Disbursements from the Project Fund" for use by the Borrower to pay costs of the Development.

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 pay Bond Service Charges, if any, on each Bond Payment Date without further written direction.

Notwithstanding any provision of the Loan Agreement or the Disbursement Agreement or any other provision of the Indenture to the contrary, 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 pay Bond Service Charges), the Trustee shall determine that the aggregate 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; provided, however, notwithstanding any provision to the contrary in the Indenture or in the other Financing Documents, that upon receipt of a Collateral Payment, the Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Collateral Payment to the party that made the Collateral Payment within one Business Day after receipt of the Collateral Payment.

On any Redemption Date, the Trustee shall transfer any amounts then on deposit in the Project Fund into the Bond Fund to pay Bond Service Charges on the Bonds. The Trustee shall have no liability for any losses incurred in connection with Eligible Investments.

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

Any money in the Project Fund remaining after the Completion Date and payment, or provision for payment, in full of the costs of the Development set forth in "APPENDIX C – SUMMARY OF CERTAIN PROVISONS OF THE LOAN AGREEMENT – Disbursements from the Project Fund," at the direction of the Authorized Borrower Representative, promptly shall be paid into the Bond Fund and used to redeem Bonds on the earliest date, if any, on which such Bonds are subject to optional redemption.

Costs of Issuance Fund

Amounts on deposit in the Costs of Issuance Fund shall be used by the Trustee to pay Costs of Issuance as directed by the Borrower in writing. Any amounts remaining on deposit in the Costs of Issuance Fund thirty (30) days after the Closing Date shall be (i) if derived from proceeds of the Bonds, transferred to the Project Fund or (ii) if derived from sources other than proceeds of the Bonds, transferred to the Borrower or used as directed by the Borrower, as the case may be.

Collateral Fund

The Trustee shall deposit in the Collateral Fund all Collateral Payments received pursuant to the Disbursement Agreement and the provisions described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – Collateral Payments" 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, pursuant to the terms of the Disbursement Agreement, 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, an equal amount of Bond proceeds on deposit in the Project Fund to be disbursed by the Trustee to or at the direction of the Lender to fund the Mortgage Loan to pay for the costs of the Development described in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – Disbursements from the Project Fund."

Collateral Payments deposited into the Collateral Fund shall be promptly invested in its entirety by the Trustee, solely and exclusively, in Eligible Investments, by reallocating such Eligible Investments from the Project Fund to the Collateral Fund pursuant to the Indenture. Upon reallocation, such Collateral Payments shall be deemed deposited in the Collateral Fund, and the Trustee shall transfer funds in the amount of such Collateral Payments to the Project Fund for disbursement pursuant to the provisions described under the caption "Project Fund" above. Each deposit into the Collateral Fund shall constitute an irrevocable deposit solely for the benefit of the Holders, subject to the provisions of the Indenture.

The Trustee shall transfer money in the Collateral Fund on each Bond Payment Date, to the Bond Fund, in an amount necessary to pay Bond Service Charges due on such Bond Payment Date (to the extent money is not otherwise available to the Trustee, including money on deposit in the Bond Fund).

Amounts on deposit in the Collateral Fund in excess of the amount required to pay Bond Service Charges after payment in full of the Bond Service Charges may be transferred to the Project Fund and used to pay costs of the Development.

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

Expense Fund

The Trustee shall apply money on deposit in the Expense Fund solely for the following purposes, upon receipt of written instructions from the Borrower, in the following order of priority:

(i) to transfer money to the Rebate Fund to the extent necessary to pay the Rebate Amount (if any) in accordance with the Tax Exemption Agreement;

(ii) to pay the Ordinary Trustee's Fees and Expenses when due;

(iii) to pay the Issuer's Fees when due; and

(iv) to pay the Issuer's Fees not previously paid.

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 and Rebate Fund

Money in the Special Funds and the Rebate Fund shall be invested and reinvested by the Trustee (i) in the case of the Special Funds, at the written direction of the Authorized Borrower Representative, and (ii) in the case of the Rebate Fund, as provided in the Tax Exemption Agreement. In the absence of written directions of the Authorized Borrower Representative, the Trustee shall invest such funds in the BLACKROCK LIQ FEDFD-CSH RES #00U3, CUSIP 09248U-43-7. At no time shall the Borrower direct that any funds constituting Gross Proceeds of the Bonds (as defined in the Tax Exemption Agreement) be used in any manner as would constitute failure of compliance with Section 148 of the Code.

Subject to the Indenture, investments of money in the Bond Fund, the Project Fund and the Collateral Fund shall be made as directed by the Authorized Borrower Representative only in investments which are Eligible Investments that mature or are 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 Bond Payment Date.

Any investments may be purchased from or sold to the Trustee, or any bank, trust company or savings and loan association which is an Affiliate of the Trustee. The Trustee shall sell or redeem investments credited to the Bond Fund to produce sufficient money applicable under the Indenture to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order.

All gains resulting from the sale of, or income from, any investment made from moneys credited to the Special Funds shall be credited to and become part of the Special Fund from which the investment was made.

All investment earnings, gains resulting from the sale of, or income from, any investment made from amounts on deposit in the Rebate Fund shall be retained therein. The Trustee shall not be liable for losses on investments or any other act or omission related to investments made in compliance with the provisions of the Indenture.

Ratings of Eligible Investments shall be determined at the time of purchase of such Eligible Investments and without regard to ratings subcategories. The Trustee may make any and all such investments through its own investment department or that of its Affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. Although each of the Issuer and the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, confirmations of Eligible Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account if no activity occurred in such fund or account during such month. The Trustee may conclusively rely upon the Authorized Borrower Representative's written instructions as to the ratings suitability and legality of the directed investments.

Repayment to the Borrower from Amounts Remaining in Funds

Except as provided in the Indenture, any amounts remaining in the Bond Fund (i) after all of the Outstanding Bonds shall be deemed paid and discharged under the provisions of the Indenture, and (ii) after payment of all fees, charges and expenses of the Trustee, and of all other amounts required to be paid under the Indenture, the Loan Agreement, the Tax Exemption Agreement, the Regulatory Agreement and the Note, shall be paid to the Borrower to the extent that those amounts are in excess of those necessary to effect the payment and discharge of the Outstanding Bonds. Further, any amounts remaining in the Project Fund and any other Special Funds or accounts created under the Indenture, the Loan Agreement or the Regulatory Agreement after all of the Outstanding Bonds shall be deemed to have been paid and discharged under the provisions of the Indenture and all other amounts required to be paid under the Indenture, the Loan Agreement, the Note, and the Regulatory Agreement have been paid, shall, subject to the provisions described under this caption, be paid to the Borrower to the extent that such moneys are in excess of the amounts necessary to effect the payment and discharge of the Outstanding Bonds.

Defaults; Events of Default

Each of the following is 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 required to be observed or performed as set forth in the Indenture, the Tax Exemption Agreement or in the Bonds, which failure shall have continued for a period of 30 days after written notice, by registered or certified mail, to the Issuer, the Borrower, and the Investor Limited Partner specifying the failure and requiring that it be remedied, which notice may be given by the Trustee in its discretion and shall be given by the Trustee at the written request of the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding; and

(d) The occurrence and continuance of an Event of Default as defined in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – Events of Default."

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

Acceleration

Upon the occurrence of an Event of Default described in (a) and (b) under the caption "Defaults; Events of Default" above, the Trustee may, and upon the written request of the Holders of not less than a majority in aggregate principal amount of Bonds then Outstanding shall, subject to the terms of the Indenture, by written notice delivered to the Borrower, the Rating Agency and the Issuer, declare the principal of all Bonds then Outstanding (if not then due and payable), and the interest accrued thereon, to be due and payable immediately. 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 written direction of all Holders of the Bonds then Outstanding. Upon the occurrence of any Event of Default other than those described in (a) and (b) under the caption "Defaults; Events of Default" above, the Trustee may, and upon the written request of all Holders of Bonds then Outstanding, shall, subject to the terms of the Indenture, 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 thereon, to be due and payable immediately. Upon such declaration, principal and interest on the Bonds 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 described in the preceding paragraph are subject, however, to the condition that if, at any time after declaration of acceleration and prior to the entry of a judgment in a court for enforcement under the Indenture (after an opportunity for hearing by the Issuer and the Borrower), (i) all sums payable under the Indenture (except the principal of and interest on Bonds which have not reached their stated maturity dates but which are due and payable solely by reason of that declaration of acceleration), plus interest to the extent permitted by law on any overdue installments of interest at the rate borne by the Bonds in respect of which the default shall have occurred, shall have been duly paid or provision shall have been duly made therefor by deposit with the Trustee, and (ii) 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 Partner shall be entitled to cure any Event of Default under the Indenture within the time frame provided to the Borrower thereunder. The Issuer and the Trustee have agreed that a cure of any default or Event of Default made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower and shall be accepted or rejected on the same basis as if made or tendered by the Borrower.

Other Remedies; Rights of Holders

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

If, upon the occurrence and continuance of an Event of Default, the Trustee is requested so to do by the Holders of at least a majority in aggregate principal amount of Bonds Outstanding, the Trustee (subject to the Trustee's rights, duties and obligations as set forth in the Indenture), shall exercise any rights and powers conferred by the provisions described under this caption.

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

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

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

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

Right 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 (i) any direction shall not be other than in accordance with the provisions of law and of the Indenture, (ii) the Trustee shall be indemnified as provided in the Indenture, and (iii) 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 moneys held by the Trustee under the Indenture (other than amounts in the Rebate Fund) shall not be sufficient to pay the principal of and interest on the Bonds as the same become due and payable, such moneys, together with any moneys then available or thereafter becoming available for such purpose, whether through the exercise of remedies in the Indenture or otherwise, shall be applied by the Trustee as described under this caption. After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of money and to all Ordinary Trustee Fees and Expenses and fees of the Trustee for Extraordinary Services and Extraordinary Expenses (including without limitation, reasonable attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under the provisions of the Indenture), all money received by the Trustee on deposit in the Special Funds shall be applied as follows, subject to the Indenture:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all of 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 installments of 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, and if that declaration thereafter shall have been rescinded and annulled in accordance with the provisions described under the captions "Acceleration" above and "Waivers of Events of Default" below, subject to the provisions of paragraph (b) above in the event that the principal of all of the Bonds shall become due and payable later, the money on deposit in the Special Funds shall remain in such funds and accounts and shall be applied in accordance with the provisions of the Indenture.

(d) Whenever money on deposit in the Special Funds is to be applied pursuant to the provisions described under this caption, 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.

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 under the Indenture, unless:

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

(b) the Holders of at least 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 under the Indenture or to institute the suit, action or proceeding in its own name, and shall have furnished indemnity to the Trustee as provided in the Indenture, and

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

At the option of the Trustee, that notification (or notice), request, opportunity and furnishing 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 therein, any remedy, right or power under the Indenture. Any suit, action or proceedings shall be instituted, had and maintained in the manner provided in the Indenture for the benefit of the Holders of all Bonds then Outstanding. Nothing in the Indenture shall affect or impair, however, the right of any Holder to enforce the payment of the Bond Service Charges on any Bond owned by that Holder at and after the maturity thereof, at the place, from the sources and in the manner expressed in that Bond.

Waivers of Events of Default

Except for those Events of Default described in paragraphs (a) and (b) under the caption "Defaults; Events of Default" above, at any time, in its discretion, the Trustee may waive any Event of Default under the Indenture and its consequences and may rescind and annul any declaration of maturity of principal of or interest on the Bonds, and the Trustee shall do so upon the written request of the Holders of at least a majority in aggregate principal amount of all Bonds then Outstanding.

There shall not be so waived any Event of Default described in paragraphs (a) or (b) under the caption "Defaults; Events of Default" above or any declaration of acceleration in connection therewith rescinded or annulled, unless, at the time of that waiver or rescission and annulment, payments of the amounts provided under the caption "Acceleration" above for waiver and rescission and annulment in connection with acceleration of maturity have been made or provision has been made therefor. In the case of the waiver or rescission and annulment, or in case any suit, action or proceedings taken by the Trustee on account of any Event of Default shall have been discontinued, abandoned or determined adversely to it, the Issuer, the Trustee and the Holders shall be restored to their former positions and rights under the Indenture, respectively. No waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Supplemental Indentures Not Requiring Consent of Holders

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

(a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;

(b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;

(c) to assign additional revenues under the Indenture;

(d) to accept additional security and instruments and documents of further assurance with respect to the Development;

(e) to add to the covenants, agreements, obligations and rights of the Issuer under the Indenture, other covenants, agreements and obligations to be observed or rights to be exercised 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; and

(i) to achieve compliance of the Indenture with any applicable federal securities or tax law.

The provisions of clauses (h) and (i) 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 described under the caption "Supplemental Indentures Not Requiring Consent of Holders" above and subject to the terms, provisions and limitations described under this caption, and not otherwise, with the consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, evidenced as provided in the Indenture, and with the consent of the Borrower (if required by the provisions described under the caption "Consent of Borrower" below), 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 described under this caption or under "Supplemental Indentures Not Requiring Consent of Holders" above 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 under this caption, upon (i) being satisfactorily indemnified with respect to its expenses in connection therewith, and (ii) if required by the provisions described under the caption "Consent of Borrower" below, 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 as described under this caption. Any failure of that nature shall not affect the validity of the Supplemental Indenture when there has been consent thereto as described under this caption. The notice shall set forth briefly the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Office of the Trustee for inspection by all Holders.

If the Trustee shall receive, within a period prescribed by the Borrower, of not less than 60 days, but not exceeding one year, following the mailing of the notice, an instrument or document or instruments or documents, in form to which the Trustee does not reasonably object, purporting to be executed by the Holders of not less than a majority in aggregate principal amount of the 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 described under this caption, no Holder shall have any right (a) to object to (i) the execution or delivery of the Supplemental Indenture, (ii) any of the terms and provisions contained therein, or (iii) the operation thereof, (b) to question the propriety of the execution and delivery thereof, or (c) to enjoin or restrain the Trustee or the Issuer from that execution or delivery or from taking any action pursuant to the provisions thereof.

Consent of Borrower

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

The Trustee

Prior to the occurrence of a default or an Event of Default under the Indenture of which the Trustee has been notified (or is deemed to have notice) as provided in the Indenture and after the cure or waiver of all defaults or Events of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture or the Tax Exemption Agreement and no duties or obligations shall be implied to the Trustee. In case a default or an Event of Default has occurred that has not been cured (of which the Trustee has been notified or is deemed to have notice), the Trustee shall exercise those rights and powers vested in it by the Indenture or the Tax Exemption Agreement and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

Before taking any action under the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished to the Trustee for the reimbursement of all expenses that it may incur and to protect it against all liability by reason of any action so taken, except liability that is adjudicated to have resulted from its negligence or willful misconduct.

The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

The Trustee may at any time resign from the trusts created by the Indenture only by giving 60 days prior written notice to the Issuer, the Borrower and to the Holders as their names and addresses appear in the Register at the close of business 15 days prior to the mailing; provided that no such resignation will take effect until a successor has been appointed and has accepted such appointment as provided in the Indenture or an order of a court of competent jurisdiction allows the Trustee to resign. In the event no successor Trustee is appointed within 60 days, the Holder of any Outstanding or any retiring Trustee may petition a court to appoint a successor Trustee.

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 Tax Exemption Agreement, the Regulatory Agreement and the Note, then the Indenture shall cease, determine and become null and void (except for those provisions surviving by reason of the Indenture in the event the Bonds are deemed paid and discharged pursuant to the provisions described under the caption “Payment and Discharge of Bonds” below), and the covenants, agreements and obligations of the Issuer under the Indenture shall be released, discharged and satisfied.

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

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

(b) the Trustee shall assign and deliver to the Issuer any property subject at the time to the lien of the Indenture which then may be in its possession, except amounts in the Bond Fund required (i) to be paid to the Borrower as described under the caption “Repayment to the Borrower from Amounts Remaining in Funds” above, or (ii) to be held by the Trustee under the Indenture or otherwise for the payment of Bond Service Charges.

Payment and Discharge of Bonds

All or any part of the Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture, including without limitation, the caption “Release of Indenture” above, if the Trustee as paying agent shall have received, in trust for and irrevocably committed thereto (i) sufficient money or (ii) 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 described in clause (i) 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 to their maturity.

Any money held by the Trustee in accordance with the provisions described under this caption 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 as described under this caption 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 payment and discharge of the Bonds, that income, interest or increment shall be transferred at the time of that determination in the manner provided under the caption “Repayment to the Borrower from Amounts Remaining in Funds” above for transfers of amounts remaining in the Bond Fund and the Project Fund and other Special Funds and accounts.

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

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 Indenture 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. The Trustee shall conclusively rely upon an Opinion of Counsel regarding any such conflict, and absent receipt of such Opinion of Counsel, the Trustee shall conclusively presume no conflict exists.

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 Development, the Mortgage Loan proceeds (other than the amounts deposited with the Trustee as provided in the Indenture), any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Development 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, the Loan Agreement, the Note, the Bond Mortgage or the Regulatory 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 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, copies of which are on file with the Issuer and the Trustee.

Representations and Covenants of the Borrower

In the Loan Agreement, the Borrower makes the following representations and covenants (among others):

(a) It is a limited partnership duly formed and in full force and effect under the laws of the State of Texas, is in good standing and duly qualified to transact business in the State and not in violation of any provision of any applicable organizational documents, and is authorized to own and operate the Development in the State.

(b) It has full power and authority to execute, deliver and perform the Borrower Documents and to enter into and carry out the transactions contemplated by those documents. The execution, delivery and performance of the Borrower Documents do not, and will not, violate any provision of law applicable to the Borrower and do not, and will not, conflict with or result in a default under any agreement or instrument to which the Borrower is a party or by which it is bound. The Borrower Documents have, by proper action, been duly authorized, executed and delivered by the Borrower and all steps necessary have been taken to constitute the Borrower Documents valid and binding obligations of the Borrower, enforceable in accordance with their terms except as may be limited by laws relating to bankruptcy, insolvency, reorganization or moratorium or other similar laws affecting creditors' rights.

(c) The Borrower was formed on September 8, 2016. The co-general partner of the Borrower is Liberty Crossing GP, LLC, a Texas limited liability company (the "General Partner"). The limited partner of the Borrower is the Investor Limited Partner. The Borrower does not currently operate or conduct any business except as related to the acquisition, construction and equipping of the Development. The Borrower has no material assets or property other than its anticipated interest in the Development. All partnership interests in the Borrower are validly issued and are fully registered, if required, with the applicable Governmental authority and there are no outstanding options or rights to purchase or acquire those interests, except as contained in the Organizational Documents.

(d) The General Partner (1) is a limited liability company, duly organized under the laws of the state of Texas and duly qualified to transact business in the State, and (2) has the requisite legal authority to become and to act as a General Partner of the Borrower.

(e) The provision of financial assistance to be made available to it under the Loan Agreement and the commitments therefor made by the Issuer have induced the Borrower to undertake the transactions contemplated by the Loan Agreement.

(f) It will use and operate the Development in a manner consistent with the Act and in accordance with the Tax Exemption Agreement and the Regulatory Agreement for as long as required by the Act and the Code and knows of no reason why the Development will not be so operated. If, in the future, there is a cessation of that operation, it will use its best efforts to resume that operation or accomplish an alternate use by the Borrower or others approved by the Issuer which will be consistent with the Act, the Code, the Tax Exemption Agreement and the Regulatory Agreement. The Borrower declares and recites that the Development will be operated by it in furtherance of the public purposes of the Issuer as provided in the Loan Agreement.

(g) The Borrower will comply with all requirements of the Act and any and all lawful rules, policies and applicable regulations of the Issuer adopted pursuant to the Act, and will fully cooperate with the Issuer with respect to its compliance and oversight requirements.

(h) The Development will be completed in accordance with the Plans and Specifications and the requirements regarding the construction and operation of the Development set forth in the Tax Exemption Agreement and the Regulatory Agreement. The Development will be operated and maintained in such manner as to satisfy all requirements of the Borrower Documents, conform in all material respects with all applicable zoning, planning, building, and environmental laws and other applicable laws and Governmental regulations, including but not limited to the Americans with Disabilities Act of 1990 (to the extent applicable to the Development).

(i) All rights of way for all roads necessary for the full utilization of the Development have been dedicated to public use and accepted by the appropriate Governmental authority.

(j) The Development will be located entirely within the jurisdiction of the Issuer.

(k) The Borrower will make all necessary filings with and has obtained or will obtain all consents, approvals, permits, authorizations and orders of any Governmental or regulatory agency that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bonds, the execution and delivery of the Borrower Documents or the performance by the Borrower of its obligations thereunder, or that were or are required for the acquisition, construction and equipping of the Development.

(l) No litigation at law or in equity or proceeding before any Governmental agency involving the Borrower is pending or, to the best of its knowledge, threatened in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or that would affect its existence or authority to do business, the acquisition, construction, equipping or operation of the Development, the validity of any Borrower Documents or the performance of its obligations thereunder, or that would prohibit, restrain or enjoin the issuance and sale of the Bonds or adversely affect the Federal Tax Status of the Bonds.

(m) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in material default under any instrument under and subject to which any indebtedness has been incurred, and no event has occurred and is continuing that, under the provisions of any such agreement, with the lapse of time or the giving of notice, or both, would constitute an event of default by the Borrower thereunder.

(n) The Borrower is not in material default under any agreement which would materially adversely affect the transactions contemplated by the Borrower Documents.

(o) The Borrower is not in default under or in violation of, and the execution, delivery and compliance by the Borrower with the terms and conditions of the Borrower Documents do not and will not conflict with or constitute or result in a default by the Borrower in any material respect under or violate, (i) the Borrower's Organizational Documents, (ii) any agreement or other instrument to which the Borrower is a party or by which it or its assets are bound, or (iii) to the best of its knowledge, any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, Government or Governmental authority having jurisdiction over the Borrower or its property, and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(p) The Borrower has received and reviewed a copy of the Indenture and approves the terms and conditions thereof and agrees to the terms thereof. The Borrower shall, for the benefit of the Issuer, each Holder and the Trustee, do and perform all acts and things required or contemplated in the Indenture to be done or performed by it.

(q) The representations and warranties of the Borrower contained in the Tax Exemption Agreement and the Regulatory Agreement are true and correct, and as of the Closing Date, the Borrower is in compliance with all requirements of the Tax Exemption Agreement and the Regulatory Agreement.

(r) The Borrower has filed or caused to be filed all federal, state and local tax returns that are required to be filed or has obtained appropriate extensions therefor, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due.

(s) The Borrower will have fee simple title to the real property and will have absolute ownership of the personal property comprising the Development, and there are no liens or encumbrances against such property other than the liens contemplated by the Mortgage Loan Documents and the Bond Mortgage.

(t) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Development; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including, without limitation, the risk of loss of the Development; and that it has not relied on the Issuer or its counsel for any guidance or expertise in analyzing the financial or other consequences of the transactions contemplated by the Loan Agreement and the Indenture or otherwise relied on the Issuer or its counsel in any manner.

(u) No information, statement or report furnished in writing to the Issuer or the Trustee by the Borrower in connection with the transactions provided for in the Financing Documents or the closing of the transactions provided for in the Financing Documents contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in such written materials, in light of the circumstances under which they were made, not misleading.

(v) The Borrower intends to cause the residential units in the Development to be rented or available for rental on a basis which satisfies the requirements of the Tax Exemption Agreement and the Regulatory Agreement, including all applicable requirements of the Act and the Code. All future leases will comply with all applicable laws and the Regulatory Agreement. The Development will satisfy the requirements of the Loan Agreement, the Tax Exemption Agreement, the Regulatory Agreement, the Act and the Code with respect to multifamily rental housing.

(w) The proceeds of the Bonds shall be used or deemed used exclusively to pay costs that (i) are Project Costs and (ii) for the greatest number of buildings, the proceeds of the Bonds shall be deemed allocated on a pro rata basis to each building in the Development and the land on which it is located so that each building and the land on which it is located will have been financed 50% or more by the proceeds of the Bonds for the purpose of complying with Section 42(h)(4)(B) of the Code; provided, however, the foregoing representation, covenant and warranty is made for the benefit of the Borrower and its partners and neither the Trustee nor the Issuer shall have any obligation to enforce this covenant nor shall they incur any liability to any Person, including, without limitation, the Borrower, the partners of the Borrower, any other Affiliate of the Borrower or the Holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with such representation, covenant and warranty shall not constitute a default or an Event of Default under the Loan Agreement or the Indenture.

The Borrower acknowledges that the representations and covenants in the Loan Agreement made by the Borrower have been expressly and specifically relied upon by the Issuer in determining to make the Loan to the Borrower, and the Loan would not have been made but for such representations and covenants.

General Terms of the Financing

To provide funds to make the Loan, the Issuer will issue, sell and deliver the Bonds to the Underwriter. The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption and mandatory tender as set forth therein. Under the Loan Agreement, the Borrower approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered.

Mortgage Loan to Borrower

The Borrower shall have obtained the Mortgage Loan from the Lender prior to or simultaneously with the execution and delivery of the Loan Agreement, and the Borrower shall enter into the Disbursement Agreement with the Lender, the Issuer and the Trustee simultaneously with the execution and delivery of the Loan Agreement to provide for the delivery of a portion of the Collateral Payments.

The Borrower represents that the Mortgage Loan is insured by FHA pursuant to and in accordance with the provisions of Section 221(d)(4) of the National Housing Act and applicable regulations thereunder, and that the Mortgage Loan is in the maximum original principal amount of $22,300,000. The Mortgage Loan is secured on a non-recourse basis pursuant to the Mortgage Loan Documents.

In connection with the Mortgage Loan, the Borrower shall execute and deliver such documents as may be customarily utilized for insured mortgage loans under the provisions of Section 221(d)(4) of the National Housing Act and applicable regulations thereunder, with such omissions, insertions and variations as may be permitted by such regulations and as may be consistent with the terms and provisions of the Loan Agreement.

The Lender will make available certain Eligible Funds to the Trustee, from time to time, as required, for deposit into the Collateral Fund, and, upon each such deposit into the Collateral Fund, an equal amount of Bond proceeds will be disbursed from the Project Fund to or at the direction of the Lender to pay the costs set forth in an approved Disbursement Request; notwithstanding any provision to the contrary in the Loan Agreement or in the other Financing Documents, upon receipt of a Collateral Payment from the Lender, the Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Collateral Payment to the Lender within one Business Day after receipt of the Collateral Payment.

Disbursements from the Project Fund

Subject to the provisions below and the Tax Exemption Agreement 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 and the Indenture, and the Bonds have maintained their Federal Tax Status, disbursements from the Project Fund shall be made only to pay any of the following costs:

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

(b) Premiums attributable to any surety bonds and insurance required to be taken out and maintained during the construction period with respect to the Development.

(c) Taxes, assessments and other Governmental charges in respect of the Development that may become due and payable during the construction period with respect to the Development.

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

(e) Costs of Issuance of the Bonds.

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

(g) Payment of interest on the Bonds during the construction period with respect to the Development.

(h) Payments to the Rebate Fund.

Any disbursements from the Project Fund for the payment of costs set forth under this caption 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 as an exhibit and (b) Collateral Payments in an amount equal to the amount of any such Disbursement Request for deposit in the Collateral Fund as provided under the caption "Collateral Payments" below. The Borrower has acknowledged and agreed that it shall submit Disbursement Requests to the Trustee no more frequently than once each calendar month. Each such Disbursement Request shall be consecutively numbered.

The Borrower's right to request disbursements from the Project Fund is limited to the principal amount of the Loan.

After the Completion Date and payment, or provision for payment, in full of the costs of the Development set forth under this caption, the Authorized Borrower Representative promptly shall direct the Trustee to transfer any money remaining in the Project Fund to the Bond Fund, which money shall be used to redeem Bonds in accordance with the Indenture on the earliest date on which such Bonds are subject to optional redemption, as set forth in the Indenture.

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 amounts on deposit in the Collateral Fund plus amounts on deposit 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; provided, however, notwithstanding any provision to the contrary in the Loan Agreement or in the other Financing Documents, that upon receipt of a Collateral Payment from Lender, Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Collateral Payment to Lender within one Business Day after receipt of the Collateral Payment.

Disbursement Agreement

In accordance with the terms of the Disbursement Agreement, the Borrower will direct the Lender to deliver Eligible Funds to the Trustee as Collateral Payments for deposit into the Collateral Fund in exchange for the Trustee disbursing an equal amount of Bond proceeds from the Project Fund under the Indenture pursuant to and consistent with the provisions described under the captions "Disbursements from the Project Fund" above and "Assignment of Agreement and Revenues; Trustee is Third Party Beneficiary" below, and in "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Project Fund" and "– Collateral Fund."

Collateral Payments

In consideration of and as a condition to the disbursement of Bond proceeds in the Project Fund for Development costs, and to secure the Borrower's obligation to make Loan Payments, the Borrower shall direct the Lender at least five Business Days before the requested disbursement, pursuant to the terms of the Disbursement Agreement, to deliver or cause to be delivered to the Trustee Collateral Payments equal to the amount of such disbursement from the Project Fund. 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. Collateral Payments will not be used to pay for Development costs. Notwithstanding any provision to the contrary in the Loan Agreement or in the other Financing Documents, upon receipt of a Collateral Payment from the Lender, the Trustee shall be obligated to either (i) disburse Bond proceeds in like amount, or (ii) return the Collateral Payment to the Lender within one Business Day after receipt of the Collateral Payment.

Assignment of Agreement and Revenues; Trustee is Third Party Beneficiary

To secure the payment of Bond Service Charges, the Issuer shall assign to the Trustee, by the Indenture, its rights under and interest in the Loan Agreement (except for the Reserved Rights). In the Loan Agreement, the Borrower agrees and consents to those assignments. The Issuer has agreed in the Loan Agreement that it shall not attempt to further assign, transfer or convey its interest in the Revenues or the Loan Agreement or create any pledge or lien of any form or nature with respect to the Revenues, Loan Payments or the Collateral Payments under the Loan Agreement.

The Trustee is a third party beneficiary of the Loan Agreement and may enforce any right, remedy or claim conferred, given or granted under the Loan Agreement.

Events of Default

Each of the following is an "Event of Default" under the Loan Agreement:

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

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

(c) The Borrower shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as in effect as of or after the date of the Loan Agreement, which is not dismissed within 90 days; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for ninety (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; and

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

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

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

(i) 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

(ii) any cause, circumstance or event not reasonably within the control of the Borrower.

The declaration of an Event of Default under paragraph (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.

Borrower Not to Adversely Affect Tax-Exempt Status of Interest on the Bonds

The Borrower covenants in the Loan Agreement that it will not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the Federal Tax Status of the Bonds.

Amendments, Changes and Modifications

Amendments Without Consent of Bondholders. Without the consent of or notice to the Holders, the Issuer, the Borrower, Investor Limited Partner and the Trustee may consent to any amendment, change or modification of the Loan Agreement, the Note, the Regulatory Agreement, or the Bond Mortgage, as may be required (a) by the provisions of the Note, the Loan Agreement, the Regulatory Agreement, or the Bond Mortgage, (b) for the purpose of curing any ambiguity, inconsistency or formal defect or omission in the Loan Agreement, the Note, the Regulatory Agreement, or the Bond Mortgage, (c) in connection with an amendment or to effect any purpose for which there could be an amendment of the Indenture without consent of Holders, or (d) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders.

Amendments Requiring Consent of Bondholders. Except as set forth in the paragraph above, neither the Issuer nor the Trustee shall consent to:

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

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

If the Issuer or the Borrower requests at any time the consent of the Trustee to any proposed amendment, change or modification of the Loan Agreement, the Note, the Regulatory Agreement, or the Bond Mortgage described in (a) or (b) above, upon being indemnified satisfactorily with respect to expenses, the Trustee is to cause notice of the proposed amendment, change or modification to be provided in the manner which is required with respect to notice of Supplemental Indentures. The notice will set forth briefly the nature of the proposed amendment, change or modification and will state that copies of the instrument or document embodying it are on file at the designated office of the Trustee for inspection by all Holders.

Before the Issuer and the Trustee consent to any amendment, change or modification of any of the Loan Agreement, the Note, the Regulatory Agreement, or the Bond Mortgage, there is to be delivered to the Trustee an opinion of Bond Counsel to the effect that such amendment, change or modification will not adversely affect the Federal Tax Status of the Bonds.

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 Development, the Mortgage Loan proceeds (other than the amounts deposited with the Trustee as provided in the Indenture), any reserves or deposits required by HUD in connection with the Mortgage Loan transaction, or the rents or deposits or other income of the Development other than available Surplus Cash.

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 REGULATORY AGREEMENT

The following is a summary, which does not purport to be complete, of certain of the terms and provisions of the Regulatory Agreement; however, it is not a comprehensive description, and reference is made to the full text of the Regulatory Agreement for a complete recital of its terms.

Capitalized terms used in this Appendix D are defined below. In addition, capitalized terms used herein but not defined shall have the meanings given to them in Appendix A and in the Regulatory Agreement and the Indenture.

"Annual Income" means the anticipated annual income of a person (together with the anticipated annual income of all persons that intend to reside with such person in one Unit) calculated pursuant to Section 8 of the Housing Act, as required by Section 142(d) of the Code.

"Available Unit" means a Unit (except for any Unit reserved for any resident manager, security personnel or maintenance personnel that is reasonably required for the Development) that has been leased at least once after becoming available for occupancy; provided that (a) a residential unit that is unoccupied on the later of (i) the date the Development is acquired by the Borrower or (ii) the Closing Date 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 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 the renovations are completed.

"Development" means the Development Facilities and the Development Site.

"Development Facilities" means the multifamily housing structure and related buildings and other improvements on the Development Site as more fully set forth in the Regulatory Agreement, and all fixtures and other property owned by the Borrower and located on, or used in connection with, such buildings, structures and other improvements constituting the Development.

"Development Site" means the parcel or parcels of real property described in an exhibit to the Regulatory Agreement, and all rights and appurtenances appertaining thereunto.

"Eligible Tenants" means (a) individuals and families of low, very low and extremely low income, (b) families of moderate income (in each case in the foregoing clauses (a) and (b) as such terms are defined by the Issuer under the Act), and (c) Persons with Special Needs, in each case, with an Annual Income not in excess of 140% of the area median income; provided that all Low Income Tenants are Eligible Tenants.

"Housing Act" means the United States Housing Act of 1937, as amended, or a successor thereto.

"Loan" means the loan of the proceeds of the Bonds made by the Issuer to the Borrower pursuant to the Loan Agreement.

"Loan Documents" means the Bond Mortgage, the Note, the Loan Agreement, the Regulatory Agreement and any and all other instruments and other documents evidencing, securing, or otherwise relating to the Loan.

"Low Income Tenant" means a tenant whose Annual Income is 60% or less of the Multifamily Tax Subsidy Program Income Limit, as determined under Sections 142(d)(2)(B) and (E) of the Code and in accordance with the Regulatory Agreement. If all the occupants of a Unit are students (as defined for the purposes of Section 152(f)(2) of the Code) no one of whom is entitled to file a joint return under Section 6013 of the Code, such occupants will not qualify as Low Income Tenants unless such students meet the qualifications under Section 42(i)(3)(D) of the Code.

"Low Income Unit" means a Unit that is included as a Unit satisfying the requirements of the Set Aside.

“Multifamily Tax Subsidy Program Income Limit” (or successor term) means the income limits provided by HUD pursuant to Section 142(d) of the Code.

“Persons with Special Needs” means persons who (a) are considered to be individuals having a disability under State or federal law, (b) are elderly, meaning 62 years of age or more or of an age specified by the applicable federal program, (c) are designated by the governing board of the Issuer as experiencing a unique need for decent, safe housing that is not being met adequately by private enterprise, or (d) are legally responsible for caring for an individual described by clauses (a), (b) or (c) above and meet the income guidelines established by the governing board of the Issuer.

“Qualified Project Period” means, with respect to the Development, the period beginning on the first day on which 10% of the Units are occupied and ending on the latest of (i) the date that is 15 years after the date on which 50% of the Units in the Development are occupied, (ii) the first day on which no tax-exempt private activity bond issued with respect to the Development is outstanding for federal income tax purposes, or (iii) the date on which any assistance provided with respect to the Development under Section 8 of the Housing Act terminates.

“Related Person” has the meaning set forth in section 144(a)(3) of the Code. A person is a “Related Person” to another person if the relationship between such persons would result in a disallowance of losses under sections 267 or 707(b) of the Code or such persons are members of the same controlled group of corporations (as defined in section 1563(a) of the Code, except that “more than 50 percent” is substituted for “at least 80 percent” each place it appears therein).

“Security Instrument” means Multifamily Deed of Trust, Assignment of Leases and Rents and Security Agreement (HUD 94000-M) from the Owner, as the grantor, in favor of Lender, as the beneficiary, as the same may be supplemented, amended or modified.

“State Conversion Date” means the date of the first amortization payment on the note relating to the Mortgage Loan.

“State Reserve Period” means, with respect to the Development, the period beginning on the State Conversion Date and ending on the earliest of the following dates: (a) the date of any involuntary change in ownership of the Development; (b) the date on which the Borrower suffers a total casualty loss with respect to the Development or the date on which the Development becomes functionally obsolete, if the Development cannot be or is not restored; (c) the date on which the Development is demolished; (d) the date on which the Development ceases to be used as multifamily rental property; or (e) the end of the State Restrictive Period.

“State Restrictive Period” means, with respect to the Development, the period beginning on the first day on which the Borrower takes legal possession of the Development and ending on the latest of (a) the date that is 35 years (as a result of the Borrower’s election to extend the affordability period) after the first day of the State Restrictive Period, (b) the first date on which no tax-exempt private activity bond issued with respect to the Development is outstanding for federal income tax purposes, and (c) the date on which any assistance provided with respect to the Development from the federal government terminates.

“Tenant Income Certification” means a certification form available on the Issuer’s website at the time of submission used to certify income and other matters executed by the household members of each Unit in the Development.

“Unit” means a residential accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation located within the Development; provided that, a unit will not fail to be treated as a Unit merely because it is a single-room occupancy unit (within the meaning of Section 42 of the Code).

Tax-Exempt Status of the Bonds

The Borrower will not take any action or omit to take any action which, if taken or omitted, respectively, would adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes under existing law (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Bonds). With the intent not to limit the generality of the foregoing, the Borrower has covenanted and agreed that prior to the final maturity of the Bonds, unless it has received and filed with the Issuer and the Trustee a Favorable Opinion of Bond Counsel:

(a) that the Development will be owned, managed and operated as a "qualified residential rental project" within the meaning of Section 142(d) of the Code, on a continuous basis during the Qualified Project Period. In particular, the Borrower has covenanted and agreed, continuously during the Qualified Project Period, as follows:

(i) that the Development will be comprised of residential Units and facilities functionally related and subordinate thereto, in accordance with Section 142(d) of the Code;

(ii) that each Unit will contain complete facilities for living, sleeping, eating, cooking and sanitation, e.g., a living area, a sleeping area, bathing and sanitation facilities, and cooking facilities equipped with a cooking range, refrigerator and sink, all of which are separate and distinct from other Units; provided that a Unit will not fail to meet these requirements merely because it is a single-room occupancy unit (within the meaning of Section 42 of the Code);

(iii) that the land and the facilities that are part of the Development will be functionally related and subordinate to the Units comprising the Development and will be of a character and size that is commensurate with the character and size of the Development;

(iv) that at no time during the Qualified Project Period will any of the Units be utilized (A) on a transient basis by being leased or rented for a period of less than thirty days or (B) as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, or trailer park or court used on a transient basis;

(v) that the Development will consist of one or more proximate buildings or structures, together with any functionally related and subordinate facilities containing one or more similarly constructed Units, all of which (A) will be located on a single tract of land or two or more parcels of land that are contiguous except for the interposition of a road, street, stream or similar property or their boundaries meet at one or more points, (B) will be owned by the same person for federal income tax purposes, and (C) will be financed pursuant to a common plan;

(vi) that substantially all of the Development will consist of similarly constructed Units together with functionally related and subordinate facilities for use by Development tenants at no additional charge, such as swimming pools, other recreational facilities, parking areas, and other facilities that are reasonably required for the Development, such as heating and cooling equipment, trash disposal equipment, and Units for resident managers, security personnel or maintenance personnel;

(vii) that at no time during the Qualified Project Period will any Unit in any building or structure in the Development that contains fewer than five Units be occupied by the Borrower;

(viii) that each Unit will be rented or available for rental on a continuous basis to Eligible Tenants (subject to the limitations and exceptions contained in the Regulatory Agreement, the Tax Exemption Agreement and the Loan Agreement) at all times during the longer of (A) the term of the Bonds or (B) the Qualified Project Period, that the Borrower will not give preference in renting Units to any particular class or group of persons, other than Persons with Special Needs, Low Income Tenants and other Eligible Tenants as provided in the Regulatory Agreement, and that at no time will any portion of the Development be exclusively reserved for use by a limited number of nonexempt persons in their trades or businesses;

(ix) that the Development will meet the requirement that at least 40% of the Available Units be occupied or held vacant and available for occupancy at all times by Low-Income Tenants (the "Set Aside Requirements"). For the purposes of this paragraph, a vacant Unit that was most recently occupied by a Low Income Tenant is treated as rented and occupied by a Low Income Tenant until reoccupied, at which time the character of such Unit must be redetermined. No tenant qualifying as a Low Income Tenant will be denied continued occupancy of a Unit because, after the most recent Tenant Income Certification, such tenant's Annual Income increases to exceed the qualifying limit for Low Income Tenants; provided, however, that, should a Low Income Tenant's Annual Income, as of the most recent determination thereof, exceed 140% of the then applicable income limit for a Low Income Tenant of the same family size and such Low Income Tenant constitutes a portion of the Set Aside Requirements, then such tenant will only continue to qualify for so long as no Unit of comparable or smaller size in the Development is rented to a tenant that does not qualify as a Low Income Tenant;

(x) that the Borrower will obtain, complete and maintain on file (A) Tenant Income Certifications and supporting documentation from each Low Income Tenant dated immediately prior to the initial occupancy of such Low Income Tenant in the Development and (B) thereafter, annual certification regarding, at a minimum, information regarding household composition and student status in the form available on the Issuer's website; provided that, if the Units in the Development are ever made available to tenants who are not Low-Income Tenants, then the Borrower will obtain, complete and maintain annual Tenant Income Certifications in accordance with Section 142(d)(3)(A) of the Code. The Borrower will obtain such additional information as may be required in the future by Section 142(d) of the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements promulgated, proposed or made as of or after the date of the Regulatory Agreement by the Department of the Treasury or the Internal Revenue Service with respect to obligations that are tax-exempt private activity bonds described in Section 142(d) of the Code. The Borrower will make a diligent and good-faith effort to determine that the income information provided by an applicant in any certification is accurate by taking steps required under Section 142(d) of the Code pursuant to provisions of the Housing Act. As part of the verification, the Borrower will document income and assets in accordance with HUD Handbook 4350.3 and the Issuer's Compliance Monitoring Rules;

(xi) that, on or before each March 31, the Borrower will submit to the Secretary of the Treasury, with a copy provided to the Issuer, the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the Development continues to meet the requirements of Section 142(d) of the Code; and

(xii) that the Borrower will prepare and submit the Unit Status Report in the form available on the Issuer's website at the time of such submission to the Issuer (via the electronic filing system available on the Issuer's website) and to the Trustee in accordance with the Regulatory Agreement.

(b) That the Borrower will maintain complete and accurate records pertaining to the Low Income Units and will permit, at all reasonable times during normal business hours and upon reasonable notice, and subject to the rights of tenants in lawful possession, any duly authorized representative of the Issuer, the Trustee, the Department of the Treasury or the Internal Revenue Service to enter upon the Development Site to examine and inspect the Development and to inspect and photocopy the books and records of the Borrower pertaining to the Development, including those records pertaining to the occupancy of the Low Income Units. The Borrower will retain all records maintained in accordance with the provisions described under this caption until the date that is three years after the end of the Qualified Project Period.

(c) That the Borrower will provide to the Trustee and the Issuer a certificate certifying (i) within 90 days thereof, the date on which 10% of the Units are occupied; and (ii) within 90 days thereof, the date on which 50% of the Units are occupied. If such conditions are not met on the Closing Date, the Borrower will provide to the Trustee and the Issuer a certification stating such fact within 90 days of the Closing Date.

(d) That the Borrower will prepare and submit to the Issuer and the Trustee, within 60 days prior to the last day of the Qualified Project Period, a certificate setting forth the date on which the Qualified Project Period will end, which certificate must be in recordable form.

Anything in the Regulatory Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties to the Regulatory Agreement that the Issuer and the Trustee may rely conclusively on the truth and accuracy of any certificate, opinion, notice, representation or instrument made or provided by the Borrower in order to establish the existence of any fact or statement of affairs solely within the knowledge of the Borrower, and which is required to be noticed, represented or certified by the Borrower under the Regulatory Agreement or in connection with any filings, representations or certifications required to be made by the Borrower in connection with the issuance and delivery of the Bonds.

Housing Development During the State Restrictive Period

The Issuer and the Borrower have recognized and declared their understanding and intent that the Development is to be owned, managed and operated as a "housing development," as such term is defined in Section 2306.004(13) of the Act, and in compliance with applicable restrictions and limitations as provided in the Act and the rules of the Issuer, until the expiration of the State Restrictive Period.

To the same end, the Borrower has represented, covenanted and agreed as follows during the State Restrictive Period:

(a) except for Units occupied or reserved for a resident manager, security personnel and maintenance personnel that are reasonably required for the Development, to assure that 100% of the Units are reserved for Eligible Tenants;

(b) to assure that the provisions of the Regulatory Agreement continue in full force and effect until the end of the State Restrictive Period;

(c) to obtain a Tenant Income Certification from each tenant in the Development (other than resident managers, security personnel and maintenance personnel) not later than the date of such tenant's initial occupancy of a Unit in the Development, and, if required as described in the Regulatory Agreement, at least annually thereafter in the manner as described in the Regulatory Agreement, and to maintain a file of all such Tenant Income Certifications, together with all supporting documentation, for a period of not less than three years after the end of the State Restrictive Period;

(d) to obtain from each tenant in the Development (other than resident managers, security personnel and maintenance personnel), at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance in such form provided by the Issuer to the Borrower from time to time that (i) such lease is subordinate to the Security Instrument and the Regulatory Agreement, (ii) all statements made in the Tenant Income Certification submitted by such tenant are accurate, (iii) the family income and eligibility requirements of the Regulatory Agreement and the Loan Agreement are substantial and material obligations of tenancy in the Development, (iv) such tenant will comply promptly with all requests for information with respect to such requirements from the Borrower, the Trustee and the Issuer, and (v) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Development;

(e) to cause to be prepared and submitted to the Issuer (via the electronic filing system available on the Issuer's website) and the Trustee by the tenth calendar day of each January, April, July and October or other schedule as determined by the Issuer with written notice to the Borrower, a certified quarterly Unit Status Report in a form available on the Issuer's website at the time of submission or in such other form as the Issuer may reasonably prescribe in writing to the Borrower with the first quarterly report due on the first quarterly reporting date after leasing activity commences;

(f) to the extent legally permissible and upon reasonable notice to permit any duly authorized representative of the Issuer or the Trustee to inspect the books and records of the Borrower pertaining to the Development or the incomes of Development tenants, including but not limited to tenant files, during regular business hours and to make copies therefrom if so desired and file such reports as are necessary to meet the Issuer's requirements;

(g) that the Borrower is qualified to be a "housing sponsor" as defined in the Act and will comply with all applicable requirements of the Act, including submitting (via the electronic filing system available on the Issuer's website) the Annual Owner's Compliance Report to the Issuer and the Trustee in the form available on the Issuer's website at the time of submission by April 30 of each year, commencing April 30, 2019;

(h) to provide social services which must meet the minimum point requirement and be chosen from the list of Tenant Supportive Services attached to the Regulatory Agreement as an exhibit and agreed to in writing by the Issuer. The Borrower must maintain documentation satisfactory to the Issuer of social services provided and such documentation will be reviewed during onsite visits beginning with the second onsite review and must be submitted to the Issuer upon request. The Borrower must provide the social services throughout the State Restrictive Period;

(i) to comply with Title 10, Part 1, Chapter 10, Subchapter F of the Texas Administrative Code, regarding tenant and manager selection, as such requirements may be amended from time to time;

(j) to maintain the property in compliance with HUD's Uniform Physical Condition Standards and to provide regular maintenance to keep the Development sanitary, safe and decent and to comply with the requirements of Section 2306.186 of the Texas Government Code; provided, however, that the Issuer must first provide notice of any default or breach to the Borrower and the Lender, and the Borrower will have 30 days to cure such default or breach;

(k) to renew any available rental subsidies which are sufficient to maintain the economic viability of the Development pursuant to Section 2306.185(c) of the Texas Government Code;

(l) the Borrower is not a party to and will not enter into a contract for the Development with, a housing developer that (i) is on the Issuer's debarred list, including any parts of that list that are derived from the debarred list of HUD; (ii) breached a contract with a public agency; or (iii) misrepresented to a subcontractor the extent to which the Borrower has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Borrower's participation in contracts with the agency and the amount of financial assistance awarded to the Borrower by the agency;

(m) to cooperate fully with the Issuer with respect to its compliance and oversight requirements and to cause the manager of the Development to so comply;

(n) to ensure that Units intended to satisfy the Set Aside Requirement will be distributed evenly throughout the Development and will include a reasonably proportionate amount of each type of Unit available in the Development; and

(o) to ensure that the Development conforms to the federal Fair Housing Act.

Repairs and Maintenance Required by State Law

The Borrower will maintain the Replacement Reserve required by and created pursuant to the HUD Regulatory Agreement or a similar account for the longer of: (a) the period of time required pursuant to the HUD Regulatory Agreement, or (b) the State Reserve Period as required by Section 2306.186 of the Texas Government Code.

Persons With Special Needs

The Borrower has represented, covenanted and warranted that during the State Restrictive Period, the Borrower will make at least 5 percent of the Units within the Development available for occupancy by Persons with Special Needs.

Sale or Transfer of the Development or Change in General Partner

The Borrower has covenanted and agreed not to sell, transfer or otherwise dispose of the Development, prior to the expiration of the Qualified Project Period (other than pursuant to the lease of Units to Eligible Tenants), without (i) providing 30 days prior written notice to the Issuer, (ii) complying with any applicable provisions of the Regulatory Agreement, the Loan Agreement, the Tax Exemption Agreement and other Loan Documents and (iii) obtaining the prior written consent of the Issuer. Such consent of the Issuer will not be unreasonably withheld and will be given if certain conditions to the sale or other disposition set forth in the Regulatory Agreement are met or waived in writing by the Issuer. The conditions set forth in the Regulatory Agreement do not apply to transfer by foreclosure or deed in lieu of foreclosure or other similar involuntary transfers, but such provisions apply to any transfer subsequent to such involuntary transfers. Notwithstanding anything to the contrary contained in the Regulatory Agreement, and subject to the consent of FHA as required by the Controlling HUD and GNMA Requirements or the Mortgage Loan Documents, the following shall be permitted and shall not require the prior written approval of Issuer or Trustee, provided that written notice thereof has been provided to the Issuer, (a) the transfer by Investor Limited Partner of its interest in Borrower in accordance with the terms of Borrower's Organizational Documents, (b) the removal of the general partner of Borrower in accordance with the Organizational Documents and the replacement thereof with Investor Limited Partner or any of its affiliates, (c) the transfer of ownership interests in Investor Limited Partner, (d) upon the expiration of the tax credit compliance period, the transfer of the interests of Investor Limited Partner in Borrower to Borrower's general partner or any of its affiliates, and (e) any amendment to the Organizational Documents to memorialize the transfers or removal described above. The Borrower has expressly stipulated and agreed that any sale, transfer or other disposition of the Development in violation of the provisions described under this caption will be ineffective to relieve the Borrower of its obligations under the Regulatory Agreement. Upon any sale, transfer or other disposition of the Development in compliance with the Regulatory Agreement, the Borrower so selling, transferring or otherwise disposing of the Development will have no further liability for obligations under the Loan Agreement, the Regulatory Agreement or any loan document arising after the date of such disposition. The foregoing notwithstanding, the duties of the Borrower as set forth in the Loan Agreement, the Regulatory Agreement or any loan document with respect to matters arising prior to the date of such sale, transfer or other disposition will not terminate upon the sale, transfer or other disposition of the Development.

No transfer of the Development will release the Borrower from its obligations under the Regulatory Agreement arising prior to the date of such transfer, but any such transfer will relieve the Borrower of further liability for obligations under the Loan Agreement and the Regulatory Agreement arising after the date of such transfer.

Except as described above, the Borrower will not change its general partner by transfer, sale or otherwise without the prior written consent of the Issuer, which consent will not be unreasonably withheld. A change in the Borrower's general partner includes any transfer of any controlling ownership interest in the general partner other than by death or incapacity.

Term

The Regulatory Agreement and all and each of the provisions thereof will become effective upon its execution and delivery, will remain in full force and effect for the periods provided therein and, except as otherwise described under this caption, will terminate in its entirety at the end of the State Restrictive Period, it being expressly agreed and understood that the provisions of the Regulatory Agreement are intended to survive the retirement of the Bonds, discharge of the Loan, termination of the Loan Agreement and defeasance or termination of the Indenture; provided, however, that the provisions related to the Qualified Project Period that are not incorporated into the State Restrictive Period will terminate in their entirety at the end of the Qualified Project Period.

The terms of the Regulatory Agreement to the contrary notwithstanding, the requirements set forth in the Regulatory Agreement will terminate, without the requirement of any consent by the Issuer or the Trustee, and be of no further force and effect in the event of involuntary noncompliance with the provisions of the Regulatory Agreement caused by fire, seizure, requisition, change in a federal or State law or an action of a federal agency after the Closing Date which prevents the Issuer or the Trustee from enforcing the provisions of the Regulatory Agreement, or foreclosure or transfer of title by deed in lieu of foreclosure or other similar involuntary transfer, condemnation or a similar event, but only if, within a reasonable period thereafter, either the Bonds are retired in full or amounts received as a consequence of such event are used to provide a “qualified residential rental project” that meets the requirements of the Code and State law including, but not limited to, the provisions specified in the Regulatory Agreement. The provisions of the preceding sentence will cease to apply and the requirements referred to therein will be reinstated if, at any time during the Qualified Project Period, after the termination of such requirements as a result of involuntary noncompliance due to foreclosure, transfer of title by deed in lieu of foreclosure or similar event, the Borrower or any Related Person obtains an ownership interest in the Development for federal income tax purposes or for the purposes of State law.

Notwithstanding any other provision of the Regulatory Agreement, the Regulatory Agreement may be terminated upon agreement by the Issuer, the Trustee and the Borrower upon receipt of a Favorable Opinion of Bond Counsel.

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

Covenants To Run With the Land

The Borrower has subjected the Development (including the Development Site) to the covenants, reservations and restrictions set forth in the Regulatory Agreement. The Issuer, the Trustee and the Borrower have declared that the covenants, reservations and restrictions set forth in the Regulatory Agreement are covenants running with the land and will pass to and be binding upon the Borrower’s successors in title to the Development; provided, however, that upon the termination of the Regulatory Agreement said covenants, reservations and restrictions will expire. Each and every contract, deed or other instrument executed after the date of the Regulatory Agreement covering or conveying the Development or any portion thereof prior to the termination of the Regulatory Agreement will conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

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

Default; Enforcement by the Trustee and Issuer

If the Borrower defaults in the performance or observance of any covenant, agreement or obligation of the Borrower set forth in the Regulatory Agreement, and if such default remains uncured by the Borrower for a period of 60 days after written notice thereof has been given by the Issuer or the Trustee to the Borrower and the Investor Limited Partner at the Notice Addresses set forth in the Indenture, then the Trustee, acting on its own behalf or on behalf of the Issuer, will declare an “Event of Default” to have occurred under the Regulatory Agreement; provided, however, that, if the default stated in the notice is of such a nature that it cannot be corrected within 60 days, such default will not constitute an Event of Default under the Regulatory Agreement and will not be declared an Event of Default so long as (a) the Borrower institutes corrective action within said 60 days and diligently pursues such action until the default is corrected and (b) the Borrower delivers to the Issuer and the Trustee a Favorable Opinion of Bond Counsel. The Issuer agrees that any cure of any Event of Default under the Regulatory Agreement made or tendered by the Investor Limited Partner shall be deemed to be a cure by the Borrower, and shall be accepted or rejected by the Issuer on the same basis as if made or tendered by the Borrower.

Following the declaration of an Event of Default under the Regulatory Agreement, the Trustee or the Issuer, each subject to being indemnified to its satisfaction with respect to the costs and expenses of any proceeding, may, at its option, take any one or more of the following steps:

(a) by mandamus or other suit, action or proceeding at law or in equity, including injunctive relief, require the Borrower to perform its obligations and covenants under the Regulatory Agreement or enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer or the Trustee under the Regulatory Agreement;

(b) have access to and inspect, examine and make copies of all of the books and records of the Borrower pertaining to the Development during regular business hours following reasonable notice; and

(c) take such other action at law or in equity as may appear necessary or desirable to enforce the obligations, covenants and agreements of the Borrower under the Regulatory Agreement.

The Borrower has agreed that specific enforcement of the Borrower's agreements contained in the Regulatory Agreement is the only means by which the Issuer and the Trustee may obtain the benefits of such agreements made by the Borrower in the Regulatory Agreement, and the Borrower therefore has agreed to the imposition of the remedy of specific performance against it in the case of any Event of Default by the Borrower under the Regulatory Agreement. In addition, if the Issuer succeeds in an action for specific performance of an obligation, covenant or agreement of the Borrower contained in the Regulatory Agreement, it is entitled to the relief provided in the Regulatory Agreement.

All rights and remedies in the Regulatory Agreement given or granted are cumulative, nonexclusive and in addition to any and all rights and remedies that the parties may have or may be given by reason of any law, statute, ordinance, document or otherwise. Notwithstanding the availability of the remedy of specific performance described under this caption, promptly upon determining that a violation of the Regulatory Agreement has occurred, the Issuer will, to the extent that it has actual knowledge thereof, by notice in writing, use its best efforts to inform the Trustee and the Borrower (provided that the failure to notify will not adversely affect the Issuer's or the Trustee's rights under the Regulatory Agreement) that a violation of the Regulatory Agreement has occurred.

The Regulatory Agreement or obligations thereunder may not be enforced by tenants or prospective tenants of the Development (except as described in the Regulatory Agreement) or, except as specifically provided in the Indenture, by the owners of the Bonds.

Amendments

Subject to the provisions of the Regulatory Agreement, the Regulatory Agreement may be amended only by a written instrument executed by the parties thereto or their successors in title, and duly recorded in the real property records of Dallas County, Texas, and only upon receipt by the Issuer (with a copy to the Trustee) of a Favorable Opinion of Bond Counsel and an opinion of Bond Counsel that such action is not contrary to the provisions of the Act. In addition, for so long as the Mortgage Loan is outstanding, the Regulatory Agreement may not be amended without HUD's prior written consent, with the exception of clerical errors or administrative correction of non-substantive matters, as set forth in the HUD rider attached to the Regulatory Agreement.

HUD Rider

In the event of a conflict between any provision in the Regulatory Agreement and any provision of the HUD Rider, the provisions of the HUD Rider shall govern and control any conflicting provisions of the Regulatory Agreement.

Notwithstanding anything contained in the Regulatory Agreement or the Indenture to the contrary, the occurrence of an event of default under the Regulatory Agreement shall not serve as a basis for default under the HUD Requirements, unless a default also arises under the HUD Requirements.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

Dated as of December 1, 2017

by and between

LIBERTY CROSSING TC I, LP,
as Borrower

and

BOKF, NA,
as Dissemination Agent

Relating to:

$17,600,000
Texas Department of Housing and Community Affairs
Multifamily Housing Revenue Bonds
(Emli at Liberty Crossing), Series 2017

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THIS CONTINUING DISCLOSURE AGREEMENT (the "Agreement") is made and entered into as of the 1st day of December, 2017, between Liberty Crossing TC I, LP, a Texas limited partnership (the "Borrower") and BOKF, NA, a national banking association, as dissemination agent (the "Dissemination Agent").

RECITALS

WHEREAS, Texas Department of Housing and Community Affairs (the "Issuer") has issued its $17,600,000 Multifamily Housing Revenue Bonds (Emli at Liberty Crossing), Series 2017 (the "Bonds") pursuant to a Trust Indenture dated as of December 1, 2017 (the "Indenture") between the Issuer and BOKF, NA, 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 December 1, 2017 (the "Loan Agreement") between the Borrower and the Issuer for the purpose of financing costs of acquiring, constructing and equipping a 240-unit residential rental housing development in Dallas County, Texas (the "Development") 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 December 1, 2017, and a final Official Statement dated December 6, 2017 (collectively, the "Offering Document"); and the Issuer has entered into a Purchase Contract, dated December 6, 2017 (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 Development 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.

"*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 status of the security;

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

(viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the securities, 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.

The SEC requires the listing of (i) through (xiv) 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.

"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 Texas.

"Turn Around Period" shall mean (i) five (5) business days, with respect to Annual Financial Information 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 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.

(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 Development 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, 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 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 Disclosure 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. Annual Financial Information at least annually not later than 180 days after the end of each fiscal year of the Borrower beginning with the fiscal year ending December 31, 2017, 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. Notice of the failure of Borrower to provide the Annual Financial Information 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 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.

(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 the Annual Financial Information received from the Borrower, the Event occurrences and notice of the failure to provide the Annual Financial Information of which the Dissemination Agent has actual knowledge within the applicable Turn Around Period. Notwithstanding the foregoing, Annual Financial Information 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 with the MSRB pursuant to this Agreement, such Annual Financial Information 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 misconduct or negligence of the Issuer or its officers, directors, employees or agents or the misconduct or negligence of the Dissemination Agent or any of its 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. The Borrower’s obligations to indemnify the Issuer are governed by the terms of the Loan Agreement.

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.

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 the Rule, 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 Agreement may be given as follows:

To the Borrower:	Liberty Crossing TC I, LP 2010 Valley View Lane, Suite 300 Farmers Branch, Texas 75234 Attention: Tyler Weir
To the Dissemination Agent:	BOKF, NA Corporate Trust Department 5956 Sherry Lane, Suite 1201 Dallas, Texas 75225 Attention: Kathy McQuiston

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.

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 subject to the provisions of Section 12.12 of the Indenture.

[Remainder of Page Intentionally Left Blank]

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.

LIBERTY CROSSING TC I, LP,
a Texas limited partnership

By: Liberty Crossing GP, LLC,
a Texas limited liability company,
its Co-General Partner

By: ______________________________
Name: Tyler Weir
Title: Manager

[Signatures continue on the next page]

[Signature page of Dissemination Agent]

BOKF, NA,
Dissemination Agent

By: ______________________________
Name: Kathy McQuiston
Title: Vice President and Trust Officer

[Signature page to Continuing Disclosure Agreement]

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 are 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 obligated 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.

APPENDIX F

FORM OF BOND COUNSEL OPINION

The form of the approving legal opinion of Bracewell 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.

[Letterhead of Bracewell LLP]

December __, 2017

Texas Department of Housing and
Community Affairs
Austin, Texas

BOKF, NA,
as Trustee
Dallas, Texas

Raymond James & Associates, Inc.
Dallas, Texas

Ladies and Gentlemen:

We have represented the Texas Department of Housing and Community Affairs (the "Issuer") in connection with the issuance by the Issuer of its $17,600,000 Multifamily Housing Revenue Bonds (Emli at Liberty Crossing), Series 2017 (the "Bonds") pursuant to a resolution adopted by the Governing Board of the Issuer on October 12, 2017 (the "Bond Resolution") and a Trust Indenture dated as of December 1, 2017 (the "Indenture"), by and between the Issuer and BOKF, NA, as trustee (the "Trustee"). The Bonds bear interest, mature on the date, and are subject to mandatory tender and optional redemption prior to maturity as provided in the Indenture. Capitalized terms used herein and not otherwise defined are used with the meanings assigned to such terms in the Indenture, in the Loan Agreement dated as of December 1, 2017 (the "Loan Agreement") between the Issuer and Liberty Crossing TC I, LP, a Texas limited partnership (the "Borrower"), or in the Regulatory and Land Use Restriction Agreement dated as of December 1, 2017 (the "Regulatory Agreement"), among the Issuer, the Trustee, and the Borrower.

The Bonds are being issued for the purpose of obtaining funds to make a mortgage loan (the "Loan") to the Borrower to finance the acquisition, construction and equipping of a multifamily residential rental development located in Wilmer, Dallas County, Texas (the "Development"), to be occupied by individuals and families of low, very low and extremely low income and families of moderate income, as determined by the Issuer, and persons with special needs, all as required by the Act, and to be occupied at least partially (at least forty percent of the Units) by Low-Income Tenants.

We have assumed with your permission and without independent verification (i) the genuineness of certificates, records and other documents (collectively, "documents") submitted to us and the accuracy and completeness of the statements contained therein; (ii) the due authorization, execution and delivery of the Indenture by the parties thereto, and the validity and binding effect of the Indenture on such parties; (iii) that all documents submitted to us as originals are accurate and complete; (iv) that all documents submitted to us as copies are true and correct copies of the originals thereof; and (v) that all information submitted to us and on which we have relied was accurate and complete.

The scope of our representation extends solely to an examination of the facts and law incident to rendering an opinion with respect to the legality and validity of the Bonds and the security therefor and with respect to the excludability of interest on the Bonds from gross income for federal income tax purposes. We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto (excepting only the matters set forth as our supplemental opinion of Bond Counsel of even date herewith). We have not assumed any responsibility with respect to the financial condition or capability of the Issuer or the Borrower, or the disclosure thereof. We have participated in the preparation of and have examined a transcript of certain materials pertaining to the Bonds, including certain certified proceedings of the Issuer, the State of Texas, the Trustee and the Borrower, and customary certificates, opinions, affidavits and other documents executed by officers, agents and representatives of the Issuer, the State of Texas, the Trustee, the Borrower and others. We have also examined such applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations and published rulings of the Internal Revenue Service (the "Service") as we have deemed relevant. We have also examined the fully-executed Bond numbered I-1.

Based on said examination, and subject to the assumptions, qualifications and limitations set forth herein, it is our opinion that, under existing law:

1. The Issuer has duly authorized the issuance, execution and delivery of the Bonds. The Bonds constitute legal, valid and binding special limited obligations of the Issuer and are entitled to the benefit and security of the Indenture.

2. Interest on the Bonds is excludable from gross income for federal income tax purposes, except with respect to the interest on any Bond for any period during which such Bond is held by a "substantial user" of the Development or a "related person" of such a "substantial user," as those terms are defined for purposes of Section 147(a) of the Code.

3. Interest on the Bonds is not an item of tax preference includable in alternative minimum taxable income for purposes of calculating the alternative minimum tax on individuals and corporations.

In providing the opinions set forth in paragraphs 2 and 3 above, we have relied on, and assumed the accuracy and completeness of, representations made as of the date hereof by, among others, the Issuer, the Borrower, the Issuer's financial advisor and Raymond James & Associates, Inc., as underwriter, with respect to matters solely within the respective knowledge of such parties, which matters we have not independently verified. Furthermore, in providing the opinions set forth in paragraphs 2 and 3 above, we have also assumed that there will be continuing compliance with the procedures, safeguards and covenants in the Indenture, the Loan Agreement, the Regulatory Agreement and the Tax Exemption Agreement pertaining to those sections of the Code that affect the excludability of interest on the Bonds from gross income for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Issuer or the Borrower fails to comply with the foregoing procedures, safeguards and covenants, interest on the Bonds could become includable in gross income for federal income tax purposes from the date of original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Certain actions may be taken or omitted subject to the terms and conditions set forth in the Indenture and related documents, upon the advice or with an approving opinion of Bond Counsel. We hereby express no opinion with respect to our ability to render an opinion that such actions, if taken or omitted, will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on, or disposition of, the Bonds.

We express no opinion as to the priority or perfection of the security interest granted by the Issuer in the Trust Estate.

The enforceability of certain provisions of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws for the relief of debtors. Furthermore, availability of equitable remedies under the Bonds may be limited by general principles of equity that permit the exercise of judicial discretion.

We note that the United States Department of Housing and Urban Development ("HUD") has required the inclusion of a rider to the Regulatory Agreement (the "HUD Rider") providing that the provisions of the Regulatory Agreement are subordinate to the Mortgage Loan Documents and the Program Obligations (as defined in the HUD Rider). The HUD Rider also provides that the Regulatory Agreement will terminate in the event of foreclosure of the Development. We express no opinion as to whether any of the covenants and requirements set forth in the Regulatory Agreement conflict with the Mortgage Loan Documents and the Program Obligations. Furthermore, we express no opinion as to the initial and continuing excludability of interest on the Bonds from gross income for federal income tax purposes in the event that (i) the provisions of the HUD Rider preclude compliance with any of the covenants or requirements of the Regulatory Agreement or (ii) the Regulatory Agreement terminates as a result of a foreclosure of the Development.

Owners of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, low and middle income taxpayers otherwise qualifying for the health insurance premium assistance credit and individuals otherwise qualifying for the earned income tax credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits" tax on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

The opinions set forth above speak only as of their date and only in connection with the Bonds and may not be applied to any other transaction. Such opinions are specifically limited to the laws of the State of Texas and, to the extent applicable, the laws of the United States of America.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement these opinions to reflect any facts or circumstances that may hereafter come to our attention or to reflect any changes in any law that may hereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Service; rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem 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. We observe that the Issuer and the Borrower have each covenanted in the Indenture, the Loan Agreement and the Tax Exemption Agreement not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Very truly yours,

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