

*In the opinion of Butler Snow LLP, Bond Counsel, assuming continuing compliance with certain covenants by the Corporation and the Borrowers, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed with the proceeds of the Bonds or a "related person" within the meaning of Section 147(a) of the Code. However, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Bonds will be exempt from present State of Mississippi income taxation. Bond Counsel is also of the opinion that the Bonds, their transfer, and the income therefrom, including any profit made on the sale thereof, are free from taxation of every kind by the State of Mississippi, and by the municipalities and all other political subdivisions of the State under existing law, except that no opinion is expressed as to such exemption from Mississippi franchise taxes or estate or inheritance taxes. A discussion of the requirements for, the extent of, and the exceptions to, such exclusions, is contained under "Tax Matters" herein. For a more complete description, see "TAX MATTERS" herein.*

**\$7,000,000**  
**MISSISSIPPI HOME CORPORATION**  
**MULTIFAMILY HOUSING REVENUE BONDS**  
**(OLSEN RD PORTFOLIO PROJECT) SERIES 2018-7**

**Dated: Date of Delivery**  
**Initial Interest Rate: 1.90%**  
**Initial Offering Price: 100%**

**Initial Mandatory Tender Date: February 1, 2020**  
**Maturity Date: August 1, 2020**  
**CUSIP: 60535N CG0**

The Bonds will be issued under the provisions of the Trust Indenture dated as of August 1, 2018 (the "Indenture"), between the Mississippi Home Corporation (the "Corporation") and Hancock Whitney Bank, as trustee (the "Trustee"). The Bonds will be issued for the purpose of providing financing to the Borrowers (as defined herein) for a portion of the costs of acquiring, rehabilitating, equipping and otherwise improving three separate multifamily housing facilities described herein (each a "Project" and collectively, the "Projects") located in the State of Mississippi (the "State"), to be occupied, to the extent required by federal tax law and state law by persons or families of low or moderate income. See "THE PROJECTS" herein.

The Bonds will bear interest at the Initial Interest Rate indicated above (the "Initial Interest Rate") from their date to but not including the Initial Mandatory Tender Date indicated above (the "Initial Mandatory Tender Date"), payable on each February 1 and August 1, commencing February 1, 2019. See "THE BONDS" herein. The Bonds will be issued as fully registered bonds in book entry form and book entry interests in the Bonds will be available for purchase in principal amounts of \$5,000 or any integral multiple in excess thereof. Owners of book entry interests in the Bonds will not receive physical delivery of bond certificates. The Depository Trust Company, New York, New York ("DTC") will act as a securities depository for the Bonds. DTC, or its nominee, will receive all payments with respect to the Bonds from the Trustee. DTC is required by its rules and procedures to remit such payments to participants in DTC for subsequent disbursement to the owners of book entry interests. See "THE BONDS—Book Entry System" herein.

The Bonds, when, as and if issued will be special obligations of the Corporation, payable solely from the revenues and other moneys assigned by the Indenture to secure that payment, which include the payments required to be made pursuant to a Loan Agreement between the Corporation and the Borrowers (the "Bond Loan Agreement") dated as of August 1, 2018.

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

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

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

**THE BONDS ARE LIMITED OBLIGATIONS OF THE CORPORATION, SECURED SOLELY BY A PLEDGE OF THE PLEDGED REVENUES AND PAYABLE BOTH AS TO PRINCIPAL AND INTEREST SOLELY OUT OF THE ASSETS OF THE CORPORATION. THE BONDS DO NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL OR SPECIAL, OF THE STATE, ANY MUNICIPALITY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED FOR PAYMENT OF THE BONDS. THE CORPORATION HAS NO TAXING POWER.**

The Bonds are offered, subject to prior sale, when, as and if issued by the Corporation and accepted by the Underwriter, subject to, among other things, the approving opinion of Butler Snow LLP, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Norris George & Ostrow PLLC, Washington, D.C., and for the Borrowers by Butler Snow LLP, Ridgeland, Mississippi. It is expected that the Bonds will be available for delivery in definitive form on or about August 15, 2018 through the services of DTC against payment therefor.

## SAMCO Capital Markets, Inc.

The date of this Official Statement is August 8, 2018.

## REGARDING THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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## OFFICIAL STATEMENT

**\$7,000,000**

**MISSISSIPPI HOME CORPORATION  
MULTIFAMILY HOUSING REVENUE BONDS  
(OLSEN RD PORTFOLIO PROJECT) SERIES 2018-7**

### INTRODUCTION

This Official Statement, including the Appendices, is furnished in connection with the original issuance and sale by the Mississippi Home Corporation (the “Corporation”) of the Bonds identified on the cover page hereof (the “Bonds”). The Bonds are being issued by the Corporation pursuant to a Trust Indenture (the “Indenture”) dated as of August 1, 2018 between the Corporation and Hancock Whitney Bank, as Trustee (the “Trustee”), the certain Bond Resolution adopted by the Board of the Corporation (the “Bond Resolution”) and Section 43-33-701 *et seq.*, Mississippi Code of 1972, as amended (the “Act”). Capitalized terms used but not otherwise defined herein are defined in Appendix A.

The Corporation will loan the proceeds of the sale of the Bonds to (1) Picayune Bond TC LP, (2) Tunica Bond TC LP, and (3) Moss Point Bond TC LP, each a Mississippi limited partnership (each a “Borrower” and collectively, the “Borrowers”), pursuant to a Loan Agreement (the “Bond Loan Agreement”), dated as of August 1, 2018, among the Corporation and the Borrowers to pay a portion of the costs of acquiring, rehabilitating, equipping and otherwise improving three separate multifamily housing facilities described herein (each, a “Project” and collectively, the “Projects”), to be owned by the Borrowers. The Borrowers are “related” through their general partner’s common interest in each of the sole members of the Borrowers, but each Borrower has legal title only to the applicable Project as set forth herein and has no ownership interest in any of the other Projects. See “THE PROJECTS” and “THE PRIVATE PARTICIPANTS” herein. The Bond Loan Agreement, except for Unassigned Corporation’s Rights, will be assigned without recourse by the Corporation to the Trustee.

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

Each Project is subject to a separate Land Use Restriction Agreement (each, a “Land Use Restriction Agreement” and collectively, the “Land Use Restriction Agreements”) dated the Closing Date, by and among the related Borrower, the Corporation and the Trustee. The Land Use Restriction Agreements require that at least 40% of completed units of each Project be occupied by persons or families having incomes at or below 60% of area median gross income during the longer of the Qualified Project Period or as long as any of the Bonds remain outstanding, in accordance with Section 142(d) of the Code. Failure to comply with these requirements could result in the loss of the exclusion of interest on the Bonds from gross income for federal tax purposes of interest on the Bonds retroactive to their date of issuance. See “TAX MATTERS” and “APPENDIX E - SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENTS.” In addition to the rental restrictions imposed upon the Projects by the Land Use Restriction Agreements, each Project will be further encumbered by a tax credit restrictive covenant (the “Tax Certificate”), to be executed by the related Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be granted for the

Projects and in compliance with the requirements of Section 42 of the Code. See “THE PROJECTS” and “THE PRIVATE PARTICIPANTS” herein.

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

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

## **THE CORPORATION**

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

### **Purposes and Powers**

The Corporation, a public body corporate and politic, separate and apart from the State, was created in 1989 as the legal successor-in-interest to the Mississippi Housing Finance Corporation (“MFHC”). MFHC was created in 1980 as a body public and corporate of the State, pursuant to the Mississippi Housing Finance Corporation Act, Sections 43-33-507, Mississippi Code of 1972, for the purpose of raising funds from private investors to make such private funds available to finance the acquisition, construction and improvement of residential housing for persons of low and moderate income within the State. While granting the Corporation a broader set of powers than those possessed by MHFC, the Mississippi Home Corporation Act, Sections 43-33-701 et seq., Mississippi Code of 1972, as amended (the “Act”), vested all property, rights, and powers of MHFC in the Corporation, subject to all pledges, covenants, agreements and trusts made or created by MHFC.

The Act grants the Corporation the power, among other things, to issue bonds for any of the corporate purposes of the Corporation, including the loaning of funds to be used to finance low and moderate income rental housing, to include in any borrowing amounts to pay Corporation expenses necessary or incidental to such borrowing, to issue bonds and notes and to do any and all things necessary or convenient to carry out its purposes and exercise the powers granted in the Act.

### **Membership**

The powers of the Corporation are vested in nine (9) members. The Governor, with the advice and consent of the Senate, shall appoint six (6) members of the Corporation, who shall be residents of the state. The Governor shall appoint two (2) members from each Supreme Court District. The Lieutenant Governor shall appoint three (3) members of the Corporation, who shall be residents of the state. The Lieutenant Governor shall appoint one (1) member from each Supreme Court district. Two

(2) members shall be appointed by the Governor for an initial term of two (2) years, two members shall be appointed by the Governor for an initial term of four (4) years, and two (2) members shall be appointed by the Governor for an initial term of six (6) years. One (1) member shall be appointed by the Lieutenant Governor for an initial term of two (2) years, one (1) member shall be appointed by the Lieutenant Governor for an initial term of four (4) years, and one member shall be appointed by the Lieutenant Governor for an initial term of six (6) years. In the appointment process, the Governor and Lieutenant Governor will attempt to see that all portions of society and its diversity are represented in the membership of the corporation. In the appointment process, the Governor and Lieutenant Governor will attempt to see that persons with substantial housing and financial experience are represented in the membership of the Corporation.

The current members of the Corporation are as follows:

Name and Title	Term Expires	Principal Occupation
Tony Jones, Chairman	2018	Realtor, Century 21 #1 Realty Group, LLC
Clint Davis, Vice Chairman	2018	President, Mississippi Limestone Corporation
Gene Delcomyn	2020	Senior Executive Vice President, Bank Plus
William Shanks, Secretary/Treasurer	2022	Owner, WJS & Associates
Bill Sones	2016 <sup>†</sup>	President, Bank of Brookhaven
Harry Walker	2016 <sup>†</sup>	Retired
Dusty Walley	2018	Senior Vice President, The First
Thomas Walman	2018	Retired
Mike Webb	2020	President & CEO, Community Bank of North Mississippi

<sup>†</sup>Continues to serve until a successor has been appointed and qualified.

Scott Spivey, Executive Director of the Corporation, serves as the Assistant Secretary/ Treasurer. Mr. Spivey has served as Executive Director of the Corporation since January 1, 2015. Prior to being appointed as Executive Director, Mr. Spivey held the positions of Deputy Director and Senior Vice President. Mr. Spivey joined the Corporation in 1998. He received his Bachelor of Arts from Belhaven University and his Master of Arts from Mississippi College.

## General

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

The Corporation is a conduit issuer that has issued separate bond and note issues. Each bond issue or note issue is an independent and separate obligation of the Corporation secured solely by the amounts pledged under the related trust indenture or other similar agreement.

No agreement or obligation contained in the Indenture shall be deemed to be an agreement or obligation of any director, officer, employee, servant or agent of the Corporation in his or her individual capacity, and neither the directors of the Corporation nor any officer thereof executing any Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the

issuance thereof. No director, officer, employee, servant or agent of the Corporation shall incur any personal liability with respect to any other action taken by him or her pursuant to the Indenture.

EXCEPT FOR INFORMATION CONCERNING THE CORPORATION IN THIS SECTION AND “LITIGATION – THE CORPORATION”, NONE OF THE INFORMATION IN THIS OFFICIAL STATEMENT HAS BEEN SUPPLIED OR VERIFIED BY THE CORPORATION, AND THE CORPORATION MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

**ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds expected to be deposited under the Indenture upon closing are to be applied as follows:

<b>Sources of Funds</b>	
Bond Proceeds	\$7,000,000
Eligible Funds	<u>7,000,000</u>
<b>Total</b>	<u><b>\$14,000,000</b></u>
<b>Uses of Funds</b>	
Project Fund	\$7,000,000
Collateral Fund	<u>7,000,000</u>
<b>Total</b>	<u><b>\$14,000,000</b></u>

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## 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 Corporation. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

The plan of financing in connection with the Bonds is estimated by the Borrowers as follows:

### Sources of Funds

Bond Proceeds	\$7,000,000
RD 538 Loans	5,605,000
RD 515 Loans	3,768,036
RD 515 Loan Reserves	613,000
GP Financing/ Contribution	284,799
Federal Tax Credit Equity	3,382,988
Initial GP Capital Contribution	300
Deferred Developer Fee	<u>530,917</u>
<b>Total</b>	<b><u>\$20,185,040</u></b>

### Uses of Funds

Acquisition Costs	\$3,978,990
Rehabilitation Costs	5,212,265
Financing Fees and Expenses	3,134,411
Developer Fees	1,859,373
Repayment of Bonds	<u>7,000,000</u>
<b>Total</b>	<b><u>\$20,185,040</u></b>

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

### Subordinate 515 Loans; Rental Assistance Agreements

The Projects are presently encumbered by senior loans made under the Rural Housing Services ("RHS") department of the United States Department of Agriculture ("USDA") Section 515 program. At closing, the 515 Loans shall be subordinated to the new 538 Loans described herein and shall be modified whereby the unpaid principal balance at the Closing Date is the new principal amount, the term shall be reset to 30 years and the amortization shall be reset to 50 years. The interest rate shall be set at the then-current Annual Federal Rate and reduced to an effective interest cost of 1% per annum, after payment of an interest subsidy from Rural Development ("RD").

Each Borrower shall enter into a Rental Assistance Agreement with RD that will provide for rental subsidies to qualifying tenants in the related Project. Rent for each qualifying tenant shall be set at 30% of household income with the remainder of the unit rent subsidized by RD.



## Rural Development 538 Loan

Each of the Borrowers will receive a loan (each a “RD 538 Loan”) guaranteed under the USDA-RD Section 538 program. The obligation to repay each RD 538 Loan will be set forth in a promissory note (the “RD 538 Note”) from the Borrower to Churchill Mortgage Investment LLC (the “Lender”). The RD 538 Note will have a total term of 40 years (2 year rehabilitation period followed by 38 years of amortizing payments with a small balloon at maturity) with 40 year amortization. Proceeds from the 538 Loans shall be advanced to the Borrower via an approved draw basis during the rehabilitation period at an agreed upon interest rate to be set prior to the Closing Date. The payment during the rehabilitation term shall be interest only with principal and interest payment commencing on the first month following the rehabilitation period.

### Allocated Amounts

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

<b>Project Name</b>	<b>Bond/Loan Principal Amount</b>	<b>Total Federal Equity Investment</b>	<b>GP Financing/ Contribution</b>	<b>Initial GP Contribution</b>	<b>RD 515 Loan Amounts</b>	<b>RD 538 Loan Amounts</b>
Blue Spruce	\$1,805,724	\$866,180	\$74,564	\$100	\$920,419	\$1,530,000
Cottonland Village	3,787,138	1,886,962	152,291	100	2,047,190	2,950,000
Escatawpa Village	1,407,138	629,846	57,944	100	800,427	1,125,000
<b>TOTALS</b>	<b>\$7,000,000</b>	<b>\$3,382,988</b>	<b>\$284,799</b>	<b>\$300</b>	<b>\$3,768,036</b>	<b>\$5,605,000</b>

## THE PROJECTS

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

### The Projects

The Projects consist of three (3) separate multifamily residential rental facilities (comprising “residential rental projects” within the meaning of Section 142(d) of the Code) located in the State. The proceeds of the Bonds will be loaned to the Borrowers for purposes of acquiring, rehabilitating and equipping the Projects pursuant to the Bond Loan Agreement. The following is a brief description of each of the Projects:

**Blue Spruce Apartments.** Blue Spruce Apartments, originally constructed in 1986, is located on a site of approximately 4.42 acres in Picayune, Pearl River County, Mississippi. Blue Spruce Apartments consists of 48 units in multiple four-plexes. The property includes 16 one bedroom/one bath units averaging 621 square feet; 24 two bedroom/one and one-half bath units averaging 784 square feet; and 8 three bedroom, one and one-half bath units averaging 925 square feet. All units include a standard appliance package and central heat/air. Project amenities include a playground area, basketball area and on-site laundry.

***Cottonland Village Apartments.*** Cottonland Village Apartments, originally constructed in 1988, is located on a site of approximately 8.54 acres in Tunica, Tunica County, Mississippi. Cottonland Village Apartments consists of 78 units in multiple six-plexes and four-plexes and 2 units in a tri-plex with an attached office. The property includes 24, one bedroom/one bath units averaging 658 square feet; 42 two bedroom/one and one-half bath units averaging 923 square feet; and 14 three bedroom, one and one-half bath units averaging 953 square feet. All units include a standard appliance package and central heat/air. Project amenities include a playground area and on-site laundry.

***Escatawpa Village Apartments.*** Escatawpa Village Apartments, originally constructed in 1984, is located on a site of approximately 2.32 acres in Moss Point, Jackson County, Mississippi. Escatawpa Village Apartments consists of 8 buildings. The property includes 8 one bedroom/one bath units averaging 621 square feet and 24 two bedroom/one and one-half bath units averaging 784 square feet. All units include a standard appliance package and central heat/air. Project amenities include on-site laundry.

### **Rehabilitation of Projects**

Rehabilitation of the Projects is expected to commence on the Closing Date. The Projects are expected to have a rehabilitation period of approximately 10 months. The rehabilitation will provide upgrades to all units that will result in new and better quality living spaces. Renovations include, replacement of interior finishes, cabinets, all surfaces and appliances, plumbing and electrical upgrades and, if needed, replacement of doors and windows.

### **Regulatory Restrictions**

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

In addition to the rental restrictions imposed upon the Projects by the Land Use Restriction Agreements, each Project will be further encumbered by a tax credit restrictive covenant (the “Tax Certificate”, and collectively, the “Tax Certificates”), to be executed by each Borrower in connection with the low-income housing tax credits (the “LIHTCs”) anticipated to be granted for the related Project and in compliance with the requirements of Section 42 of the Code.

Each Project will also be encumbered by use restrictions required pursuant to Section 42 of the Code relating to tax credits, which will restrict the income levels of 100% of the units in each Project (the “Tax Credit Units”). All of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the area median income adjusted for family size and the rents which may be charged for occupancy of units in each Project will be restricted to not more than 30% of 60% of area median income, adjusted for family size.

## THE PRIVATE PARTICIPANTS

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

### **The Borrowers**

The Borrower with respect to each Project is as follows:

- (1) Picayune Bond TC LP;
- (2) Tunica Bond TC LP; and
- (3) Moss Point Bond TC LP;

Each of the above 3 entities is a Mississippi limited partnership (each a “Borrower” and collectively, the “Borrowers”). Each Borrower was formed for the purpose of acquiring, rehabilitating and operating the applicable Project.

For each Borrower, the General Partner will be Chris Stant (the “General Partner”), the Investor Limited Partner will be Mississippi Bond TC Limited Partnership, a California limited partnership (the “Investor Limited Partner”), and the Special Limited Partner will be WNC Housing, L.P., a California limited partnership (the “Special Limited Partner”). The General Partner will own an approximately 0.1% interest, the Investor Limited Partner and the Special Limited Partner will collectively own a 99.99% interest in each Borrower partnership.

The Investor Limited Partner and the Special Limited Partner are expected to make, in the aggregate, equity contributions totaling approximately \$3,382,988, subject to certain conditions precedent for each installment and adjustment thereof, as set forth in the Borrowers’ partnership agreements.

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

The obligations and liabilities of the Borrowers under the Bond Notes are of a non-recourse nature and are limited to the Projects and moneys derived from the operation of the Projects. Neither the Borrowers nor their partners or their respective principals and partners have any personal liability for payments on the Bond Notes to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrowers have substantial funds available for the Projects. Accordingly, neither the Borrowers’ financial statements nor those of their partners are included in this Official Statement.

## **The Developer**

Each Project is developed by Olsen Securities Corporation, a Louisiana corporation (the “Developer”), an affiliate of the General Partner. The key principals of the Developer collectively have experience in developing and owning affordable housing projects similar to the Projects. The individuals controlling the Developer also control the Property Manager.

## **The Property Manager**

The property management company, OSC Management, Inc. (the “Property Manager”), currently manages various apartment units similar to the Projects, including the Projects. The Borrowers anticipate that the Projects will continue to be managed by the Property Manager. The staff of the Property Manager is composed of experienced property management professionals with specific experience in affordable multifamily and senior rental properties.

## **The Contractor**

The general contractor is MACO Construction, Inc. (the “Contractor”). The Contractor is headquartered in Clarkton, Missouri. The Contractor has experience with rehabilitation of multifamily properties similar to the Projects.

## **The Architect**

The design architect for the Projects is Mills & Mills Architects, P.C. (the “Architect”). The Architect provides architectural and engineering services throughout the State of Mississippi and is headquartered in Greenville, Mississippi.

## **THE BONDS**

### **General**

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

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

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

### **Book Entry System**

*The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Borrower believes to be reliable, but neither the Corporation nor the Borrower take 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 Corporation 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 Corporation 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](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (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 the Bonds, except in the event that use of the book entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration

in the name of Cede & Co. or such other DTC nominee do not effect any change in 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 Corporation 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 Corporation 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 Corporation, 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 Corporation 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 Corporation or the Trustee. The Corporation 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.

***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.***

The Corporation, the Borrower and the Trustee have no role in the purchases, transfers or sales of book entry interests. The rights of book entry interest owners to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Book entry interest owners may want to discuss with their legal advisers the manner of transferring or pledging their book entry interests.

The Corporation, the Borrower and Trustee have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, book entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The Corporation and the Borrower cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the book entry interest owners payments of debt service on the Bonds made to DTC as the registered owner, or any notices, or that they will do so on a timely basis, or that DTC will serve and act in the manner described in this Official Statement.

## **Replacement Bonds**

Replacement Bonds may be issued directly to beneficial owners of Bonds other than a Depository, or its nominee, but only in the event that (i) the Depository determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Corporation and the Trustee); or (ii) the Corporation has advised a Depository of its determination (which determination is conclusive as to the Depository and beneficial owners of the Bonds) that the Depository is incapable of discharging its duties as securities depository for the Bonds; or (iii) the Corporation has determined (which determination is conclusive as to the Depository and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any of the foregoing events, the Corporation and the Borrower shall use commercially reasonable efforts to attempt to locate another qualified securities depository. If the Corporation and the Borrower fail to locate another qualified securities depository to replace the Depository, the Corporation and the Borrower, at the Borrower's expense, shall cause to be authenticated and delivered replacement Bonds, in certificate form, to the beneficial owners of the Bonds. In the event that the Corporation makes the determination noted in (ii) or (iii) above (provided that the Corporation undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Corporation to make any such determination), and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to the Depository, it and the Borrower shall cause to be issued replacement Bonds in certificate form to beneficial owners of the Bonds as shown on the records of the Depository provided to the Corporation.

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

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

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

## **Redemption of Bonds**

### *Optional Redemption of Bonds*

The Bonds are not subject to redemption prior to the Initial Mandatory Tender Date. The Bonds are subject to optional redemption prior to their maturity, at direction of the Authorized Borrowers Representative, either in whole or in part on any date on or after the Optional Redemption Date at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest, but without premium, to the date fixed for redemption.

### *Mandatory Redemption of Bonds*

The Bonds shall be redeemed in whole at a redemption price of 100% of the principal amount of such Bonds, plus accrued interest to the redemption date, if any, on any Mandatory Tender Date upon the occurrence of any of the following events: (i) the Borrowers have previously elected not to cause the remarketing of the Bonds, (ii) the conditions to remarketing set forth in the Indenture have not been met by the dates and times set forth therein, or (iii) the proceeds of a remarketing on deposit in the Bond Fund at 11:00 a.m. Eastern time on the Mandatory Tender Date are insufficient to pay the purchase price of the Outstanding Bonds on such Mandatory Tender Date. Bonds subject to redemption in accordance with this paragraph shall be redeemed from (i) amounts on deposit in the Collateral Fund, (ii) amounts on deposit in the Initial Deposit Account of the Bond Fund, (iii) amounts on deposit in the Project Fund, and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Borrowers.

### *Notice of Redemption*

(a) In connection with an optional redemption under the heading “Optional Redemption of Bonds” above, at least twenty (20) days but not more than sixty (60) days before the redemption date, whether such redemption shall be in whole or in part, the Trustee shall cause a notice of such redemption, signed by the Trustee, to be mailed, postage prepaid, to all Holders of the Bonds to be redeemed at their addresses as they appear on the registration books maintained by the Trustee, but failure to mail any such notice to one or more Owners or any defect in such notice shall not affect the validity of the proceedings for such redemption with respect to any other Owner.

(b) Any notice of redemption may state that the redemption to be effected is conditioned upon the receipt by the Trustee on or prior to the redemption date of moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed and that if such moneys are not so received such notice shall be of no force or effect and such Bond shall not be required to be redeemed. In the event that such notice contains such a condition and moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds are not received by the Trustee on or prior to the redemption date, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

### *Payment of Redemption Price*

The Trustee shall pay the redemption price of Bonds from the following sources in the following priority: (i) amounts on deposit in the Collateral Fund and the Initial Deposit Account of the Bond Fund, to the extent not needed to reimburse the Lender for any advances of Mortgage Loan proceeds and (ii) any other Eligible Funds available or made available for such purpose at the direction of the Authorized Borrowers Representative.



## **Mandatory Tender of Bonds**

(a) The Bonds are subject to mandatory tender in whole and not in part on the Mandatory Tender Date 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., Eastern time, on the Mandatory Tender Date, the Holders shall deliver the Bonds to the Trustee. The Trustee shall utilize the following sources of payments to pay the tender price of the Bonds not later than 2:30 p.m. Eastern time on the Mandatory Tender Date, in the following priority; (i) amounts representing proceeds of remarketed Bonds received pursuant to the Indenture, to pay the principal amount, plus accrued interest, of Unredeemed Bonds tendered or deemed tendered for purchase, (ii) amounts on deposit in the Collateral Fund, to pay the principal amount of Bonds other than Unredeemed Bonds tendered or deemed tendered for purchase, (iii) amounts on deposit in the Initial Deposit Account of the Bond Fund to pay the accrued interest, if any, on Bonds other than Unredeemed Bonds tendered or deemed tendered for purchase and (iv) any other Eligible Funds available or made available for such purpose at the direction of the Authorized Borrowers Representative.

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

(a) 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;

(b) 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;

(c) 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

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

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

## **SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

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

To the extent provided in and except as otherwise permitted by the Indenture, (i) the Bonds will be special obligations of the Corporation and the Bond Service Charges thereon shall be payable equally and ratably solely from the Pledged Revenues, including but not limited to moneys and investments in the Special Funds, (ii) the payment of Bond Service Charges on the Bonds shall be secured by the assignment of the Pledged Revenues under and by the Indenture, and (iii) payments due on the Bonds also shall be secured by the Bond Notes. The Pledged Revenues include the payments required to be made by the

Borrower under the Bond Loan Agreement and the Bond Notes; all other moneys received by the Corporation or the Trustee for the account of the Corporation with respect to repayment of the Bond Loan; moneys and investments in or allocated to the Project Fund and the Collateral Fund; and the income and profit from the investment of the Bond Loan Payments and such other moneys, and the investments of those moneys.

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

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

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

#### **THE TRUSTEE**

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

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

#### **CERTAIN HOLDERS' RISKS**

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

## **General**

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

## **Limited Security for Bonds**

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

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

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

## **Early Redemption of the Bonds**

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

## **Tax Exemption**

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

## **Corporation Limited Liability**

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

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

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

## **Secondary Markets and Prices**

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

## **Eligible Investments**

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

## **Rating Based on Eligible Investments**

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

## **Subordination to Mortgage Loan Documents**

The Indenture, the Bond Loan Agreement, the Bond Notes, and the Land Use Restriction Agreements contain provisions regarding subordination of such documents to the Mortgage Loan Documents and the RHS Requirements. No assurance can be given that such provisions will not impair

the excludability of interest on the Bonds from gross income for federal income tax purposes. See “RHS AND GNMA REQUIREMENTS TO CONTROL” herein.

### **Future Legislation; IRS Examination**

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

In recent years, the Internal Revenue Service (“IRS”) has increased the frequency and scope of its examination and other enforcement activity regarding tax exempt bonds. Currently, the primary penalty available to the IRS under the Code is a determination that interest on bonds is subject to federal income taxation. Such event could occur for a variety of reasons, including, without limitation, failure to comply with certain requirements imposed by the Code relating to investment restrictions, periodic payments of arbitrage profits to the United States of America, the timely and proper use of Bond proceeds and the facilities financed therewith and certain other matters. See “TAX MATTERS” herein. No assurance can be given that the IRS will not examine the Corporation, the Borrowers, the Projects 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, including the Appendices hereto.

## **LITIGATION**

### **The Corporation**

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

### **The Borrowers**

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

## **UNDERWRITING**

Pursuant and subject to the terms and conditions set forth in a Bond Purchase Agreement (the “Purchase Agreement”), among Samco Capital Markets, Inc. (the “Underwriter”), the Corporation and the Borrowers, the Underwriter has agreed to purchase the Bonds at the price of par (100% of the original principal amount). For its services relating to the transaction, the Underwriter will receive a fee of \$87,500 plus \$50,000 for certain fees and expenses.

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 Purchase Agreement, the Borrowers have agreed to indemnify the Underwriter and the Corporation against certain civil liabilities, including liabilities under federal securities laws.

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

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

In addition to serving as Underwriter, Samco Capital Markets, Inc. has been designated to serve as Remarketing Agent and will receive a fee for its remarketing services in connection with the remarketing of the Bonds on the Initial Mandatory Tender Date.

## **TAX MATTERS**

**General Matters.** In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. The opinion described above assumes the accuracy of certain representations and compliance by the Corporation and the Borrowers with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Corporation and the Borrowers have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

The Bonds are subject to the low-income set-aside and other requirements for qualified residential rental projects under the Code which are described briefly in this paragraph. The Code requires that at least 95 percent of the net proceeds of exempt facility bonds under Section 142(a)(7) (after reduction for amounts applied to fund a reasonably required reserve fund) be used to provide "qualified

residential rental projects.” The Code defines a residential rental project as a project containing units with separate and complete facilities for living, sleeping, eating, cooking and sanitation that are available to the general public and are to be used on other than a transient basis. Section 142(d) of the Code requires that either (i) at least 20% of the completed units in a project to be financed with the proceeds of the Bonds be continuously occupied during the “qualified project period” by individuals and families whose annual adjusted income does not exceed 50% of the area median income (with adjustments for family size), or (ii) at least 40% of the completed units in a project to be financed with the proceeds of the Bonds be continuously occupied during the qualified project period by individuals and families whose annual adjusted income does not exceed 60% of the area median income (with adjustments for family size).

***Backup Withholding.*** As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations..

***State Taxes.*** In the opinion of Bond Counsel, interest on the Bonds, their transfer, and the income therefrom, including any profit made on the sale thereof, are free from taxation of every kind by the State of Mississippi, and by the municipalities and all other political subdivisions of the State under existing law, except that no opinion is expressed as to such exemption from Mississippi franchise taxes or estate or inheritance taxes. Interest on the Bonds may be subject to state or local income taxes in jurisdictions other than the State of Mississippi under applicable state or local tax laws.

***Changes in Federal and State Tax Law.*** From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading “TAX MATTERS” or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

**PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.**

## **LEGAL MATTERS**

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax exempt status of the interest thereon (see “TAX MATTERS”) are subject to the approving legal opinion of Butler Snow LLP, Bond Counsel. A signed copy of that opinion, dated and speaking only as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such

original delivery. A copy of such opinion will accompany the Bonds and a draft of that opinion is attached hereto as Appendix B.

In rendering its approving opinion, Bond Counsel will rely on certifications and representations of fact to be contained in the transcript of proceedings which Bond Counsel will not have independently verified. Certain legal matters will be passed upon for the Underwriter by its counsel, Norris George & Ostrow PLLC, Washington, D.C., and for the Borrowers by Butler Snow LLP, Ridgeland, Mississippi.

## **RATING**

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

## **RHS AND GNMA REQUIREMENTS TO CONTROL**

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

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

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

Notwithstanding any provision of the Indenture, the Land Use Restriction Agreements or the Bond Loan Agreement to the contrary, the parties thereto acknowledge and agree that all of their respective rights and powers to any assets or properties of the Borrower are subordinate and subject to the liens created by the Mortgage, together with any and all amounts from time to time secured thereby, and



interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other documents executed by the Borrower as required by RHS or GNMA in connection therewith.

### **CONTINUING DISCLOSURE**

The Borrowers will enter into a Continuing Disclosure Agreement dated as of August 1, 2018 (the “Continuing Disclosure Agreement”) with the Trustee and the Dissemination Agent named therein, obligating each Borrower to send, or cause to be sent, certain financial information with respect to its respective Project to certain information repositories annually and to provide notice, or cause notice to be provided, to the Municipal Securities Rulemaking Board (the “MSRB”) of certain enumerated events, if any, for the benefit of the Beneficial Owners and Holders of any of the Bonds, in order to allow the Underwriter to meet the requirements of Section (b)(5)(i) of Securities Exchange Commission Rule 15c2-12 (the “Rule”).

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

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

### **MISCELLANEOUS**

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

[Remainder of page intentionally left blank]

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

**MISSISSIPPI HOME CORPORATION**, as the  
Corporation

By: /s/ Scott Spivey  
Name: Scott Spivey  
Title: Executive Director

[Signatures continued on next page]

[Borrowers' signature page to Official Statement]

**PICAYUNE BOND TC LP,**  
a Mississippi limited partnership

By: /s/ Chris Stant  
Chris Stant, General Partner

**TUNICA BOND TC LP,**  
a Mississippi limited partnership

By: /s/ Chris Stant  
Chris Stant, General Partner

**MOSS POINT BOND TC LP,**  
a Mississippi limited partnership

By: /s/ Chris Stant  
Chris Stant, General Partner

## APPENDIX A

### DEFINITION OF CERTAIN TERMS

“Act” means Section 43-33-701 *et seq.*, Mississippi Code of 1972, as amended.

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

“Allocated Bonds” means, with respect to each Project and the related Borrower, the portion of the Bonds that have been allocated to each Project and the related Borrower, to be loaned to that Borrower pursuant to such Bond Loan Agreement, which allocation is set forth in “PLAN OF FINANCING—Allocated Amounts” herein. The aggregate amount of the Allocated Bonds equals the aggregate principal amount of the Bonds.

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

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

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

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

“Authorized Official” means the Chairman of the Board of the Corporation, the Executive Director of the Corporation, and any other officer of the Corporation designated by certificate of any of the foregoing as authorized by the Corporation 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.

“Board” means the Board of the Corporation.

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

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

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

“Bond Loan Agreement” means the Bond Loan Agreement, dated as of August 1, 2018, among the Corporation and the Borrowers and assigned by the Corporation, except for Unassigned Corporation’s Rights, to the Trustee, as amended or supplemented from time to time.

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

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

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

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

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

“Bond Purchase Agreement” means the Bond Purchase Agreement, dated August 8, 2018, among the Corporation, the Borrower and the Underwriter.

“Bond Resolution” means that certain Bond Resolution relating to the Projects, adopted by the Board of the Corporation.

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

“Bonds” means the Multifamily Housing Revenue Bonds (Olsen RD Portfolio Project) Series 2018-7 of the Corporation authorized in the Bond Resolution and the Indenture in an aggregate principal amount of \$7,000,000.

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

“Borrower” means individually, each of the following entities: (1) Picayune Bond TC LP, (2) Tunica Bond TC LP, and (3) Moss Point Bond TC LP, each a Mississippi limited partnership, which entities are each entering into the Bond Loan Agreement with the Corporation in connection with the Bonds. “Borrowers” means, collectively, all of the Borrowers.

“Cash Flow Projection” means a cash flow projection prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, designated by the Borrowers and acceptable to the Remarketing Agent and the Rating Agency, establishing, to the satisfaction of the Remarketing Agent and the Rating Agency, the sufficiency of (a) the amount on deposit in the Project Fund and the Collateral Fund, (b) projected investment income to accrue on amounts on deposit in the Project Fund and Collateral Fund during the applicable period and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrowers to pay Bond Service Charges and the administrative expenses, in each instance, when due and payable, including, but not limited to, any cash flow projection prepared in connection with (i) the initial issuance and delivery of the Bonds, (ii) a proposed remarketing of the Bonds, as provided in the Indenture, and (iii) the release of Eligible Funds from the Initial Deposit Account of the Bond Fund, as provided in the Indenture.

“Closing Date” means August 15, 2018.

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

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

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

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of August 1, 2018 between the Borrowers, the Trustee and the Dissemination Agent as originally executed and as it may be amended from time to time in accordance with its terms.

“Contractual Obligation” means for any Person any obligation, covenant, or condition contained in any evidence of Indebtedness or any agreement or instrument under or pursuant to which any evidence of Indebtedness has been issued, or any other material agreement, instrument or guaranty, to which such Person is a party or by which such Person or any of its assets or properties are bound.

“Corporation” means the Mississippi Home Corporation, a public body corporate and politic, separate and apart from the State and constituting a governmental instrumentality or any successor to its rights and obligations under the Bond Loan Agreement and the Indenture.

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

“Depository” means, with respect to the Bonds, DTC, until a successor Depository will have become such pursuant to the applicable provisions of the Indenture, and thereafter, Depository will mean

the successor Depository. Any Depository will be a securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a Book Entry System to record ownership of book entry interests in the Bonds or Bond Service Charges thereon, and to effect transfers of book entry interest in the Bonds.

“Dissemination Agent” means Hancock Whitney Bank, or any successor Dissemination Agent under the Continuing Disclosure Agreement.

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

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

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

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

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

(b) proceeds of the Mortgage Loans and the Subordinate Loans;

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

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

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

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

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

“Eligible 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 any other money market mutual fund (i) which is then 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 by S&P, or if S&P is not the Rating Agency or a new rating scale is implemented, the equivalent rating category given by the Rating Agency for that general category of security) (including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund receives reasonable compensation therefor) registered under the Investment Company Act of 1940, as amended, and (ii) whose investment portfolio consists solely of direct obligations of the government of the United States of America.

Eligible Investments will 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 Maturity Date, (ii) the current Mandatory Tender Date in effect at the time of investment, and (iii) the Optional Redemption Date (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 an Event of Default under the respective document in which such term is used.

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

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

“Funding Agreement” means each Disbursement Agreement dated as of the Closing Date by and among each Borrower, the Lender, the Corporation and the Trustee, and Butler Snow LLP, as agent for First American Title Insurance Company, as amended, supplemented or restated from time to time, related to the payment of project costs with the proceeds of the Bonds.

“GNMA” means the Government National Mortgage Association, a U.S. government-owned corporation within the United States Department of Housing and Urban Development.

“GNMA Mortgage-Backed Securities Guide” means the GNMA Mortgage-Backed Securities Guide promulgated by GNMA, together with any and all Supplements thereto.

“GNMA Requirements” means the GNMA Mortgage-Backed Securities Guide and all applicable GNMA regulations and administrative requirements.



“GNMA Security” or “GNMA Securities” means a fully modified pass through security in the form of a construction loan certificate or a permanent loan certificate issued by an approved lender and guaranteed by GNMA as to timely payment of principal of and interest on a permanent loan certificate and as to timely payment of interest only until maturity and timely payment of principal at maturity on a construction loan certificate, pursuant to Section 306(g) of the National Housing Act of 1934, as amended, and the regulations promulgated thereunder.

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

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

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

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

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

“Indenture” means the Trust Indenture, dated as of August 1, 2018, between the Corporation and the Trustee, as amended or supplemented from time to time.

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

“Initial Interest Rate” means 1.90%.

“Initial Mandatory Tender Date” means February 1, 2020.

“Interest Payment Date” or “Interest Payment Dates” means each February 1 and August 1, commencing February 1, 2019, and on any date the Bonds are called for redemption prior to maturity, each Mandatory Tender Date, the Maturity Date and the date of acceleration of the Bonds.

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

“Investor Limited Partner” means Mississippi Bond TC Limited Partnership, a California limited partnership, as limited partner, and WNC Housing, L.P., a California limited partnership, as the special limited partner, and their respective successors and assigns.

“Land Use Restriction Agreement” means, collectively, each Land Use Restriction Agreement dated the Closing Date among the Corporation, a Borrower and the Trustee with respect to a project. “Land Use Restriction Agreements” refers to such agreements collectively.

“Lender” means Churchill Mortgage Investment LLC, a Florida limited liability company.

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

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

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

“Maturity Date” means August 1, 2020.

“Mortgage” means the Multistate Deed of Trust, Assignment of Leases and Rents, and Security Agreement from the Borrower to be in favor of the Lender, as the same may be amended or modified from time to time.

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

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

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

“Optional Redemption Date” means any Mandatory Tender Date.

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

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

(a) Bonds canceled upon surrender, exchange or transfer, or canceled because of payment on or prior to that date;

(b) Bonds, or the portion thereof, for the payment or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee or any Paying Agents on or prior to that date for that purpose (whether upon or prior to the maturity date of those Bonds);

(c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of the Indenture; and

(d) Bonds in lieu of which others have been authenticated under the Indenture.

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) Payments to the Rebate Fund.

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

“Qualified Project Period” means the period commencing on the later of the first day on which at least 10% of the Residential Rental Units in the Residential Rental Property are occupied or the issue date of the Qualified 142(d) Bonds issued to acquire such facility and ending on the latest of the following:

(A) the date that is fifteen years after the date on which at least 60% of the Residential Rental Units in the facility are first occupied;

(B) the first day on which no tax-exempt private activity bond (as defined in Section 141(a) of the Code) issued with respect to the facility is outstanding; or

(C) the date on which any assistance provided with respect to the facility under Section 8 terminates.

“Rating Agency” means S&P Global Ratings (“S&P”), or if such entity discontinues providing a credit rating on the Bonds, Moody’s Investors Service (“Moody’s”) or any other nationally recognized municipal securities rating agency designated by the Agency. Initially, the Rating Agency will be S&P.

“RD 538 Loans” means proceeds from one or more loans made for any Project under the RHS department of the USDA Section 538 Guaranteed Rural Rental Housing Loan Program or new debt under the RHS 515 Loan Program.

“RD 515 Loans” means proceeds from one or more loans made for any Project under the RHS department of the USDA Section 515 Program.

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

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

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

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

“Remarketing Agent” means, initially, Samco Capital Markets, Inc., and any successor Remarketing Agent that may be appointed by the Corporation or the Borrowers.

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

“Residential Rental Unit” means a housing unit containing separate and complete living, sleeping, eating, cooking and sanitation facilities for a single person or a family. Such housing unit shall contain a kitchen that includes a stove, cooking range, full-size refrigerator and sink. A housing unit, however, shall not fail to be treated as a “Residential Rental Unit” merely because it is a single-room occupancy unit (within the meaning of Section 42 of the Code).

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

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

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

“S&P” means S&P Global Ratings, and its successors and assigns.

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

“State” means the State of Mississippi.

“Subordinate Loan” means proceeds from one or more loans made for any Project under the RHS department of the USDA Section 515 Program.

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

“Tax Agreement” means the Tax Regulatory Agreement and No-Arbitrage Certificate, among the Corporation, the Borrowers and the Trustee dated as of the date of issuance of the Bonds.

“Trustee” means Hancock Whitney Bank, a state banking corporation organized and existing under the law of the State of Mississippi, until a successor Trustee has become such pursuant to the applicable provisions of the Indenture, and thereafter, “Trustee” will mean the successor Trustee.

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

“Underwriter” means Samco Capital Markets, Inc.

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

“USDA” means the United States Department of Agriculture.

## APPENDIX B

### FORM OF BOND COUNSEL OPINION

*The form of the approving legal opinion of Butler Snow 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 to reflect circumstances both factual and legal at the time of such delivery. Recirculation of the Official Statement shall create no implication that Butler Snow LLP, has reviewed any of the matters set forth in such opinion subsequent to the date of such opinion.*

August 15, 2018

Mississippi Home Corporation  
Jackson, Mississippi

RE: \$7,000,000 Mississippi Home Corporation Collateralized Multifamily Housing  
Revenue Bonds (Olsen RD Portfolio Project), Series 2018-7 (the “**Bonds**”)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the Mississippi Home Corporation (the “**Issuer**”) of the above-captioned Bonds. In such capacity, we have examined such law and such certified proceedings and other documents as we have deemed necessary to render this opinion, including, without limitation the Mississippi Home Corporation Act, Sections 43-33-701 *et seq.* of the Mississippi Code of 1972, as amended (the “**Act**”) and a resolution duly adopted by the governing body of the Issuer on April 11, 2018 (the “**Resolution**”).

The Bonds are being issued to provide funds to (i) acquire, construct, install, rehabilitate, and equip (a) an approximately 48 unit multifamily housing development, together with functionally related and subordinate facilities and property located on a site at 2801 Cooper Road in the City of Picayune (the “**Blue Spruce Apartments Project**”), (b) an approximately 82 unit multifamily housing development, together with functionally related and subordinate facilities and property located on a site at 1655 Beatline Road, in the County of Tunica (the “**Cottonland Village Apartments Project**”), (c) an approximately 32 unit multifamily housing development, together with functionally related and subordinate facilities and property located on a site at 8603 Hwy 613, in the City of Moss Point (the “**Escatawpa Village Apartments Project**”), each located in the jurisdiction of the Issuer (collectively, the “**Projects**”) and (ii) pay a portion of the costs of issuing the Bonds, all pursuant to the provisions of the Act, Resolution, and an Indenture of Trust, dated as of August 1, 2018 (the “**Indenture**”) between the Issuer and Hancock Whitney Bank, as trustee (the “**Trustee**”).

The Issuer and Picayune Bond TC LP, Tunica Bond TC LP, and Moss Point TC LP, each a Mississippi limited partnership, and its authorized successors and assigns (each a “**Borrower**” and collectively, the “**Borrowers**”), have entered into a Loan Agreement, dated as of August 1, 2018 (the “**Agreement**”), pursuant to which the Borrowers have agreed to pay to the Issuer such loan payments as will always be sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due. Under the Indenture, the rights of the Issuer under the Agreement (except for certain rights to indemnification, reimbursement, and payment of expenses (the “**Reserved Rights**”)) are pledged and

assigned by the Issuer to the Trustee as security for the Bonds. The Bonds are payable solely from the payments to be made by the Borrowers under the Agreement (the “*Revenues*”) or as otherwise specified in the Indenture or the Agreement.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer and the Borrowers contained in the Indenture, the Agreement, the certified proceedings of the Issuer, and other certifications of public officials and others furnished to us, and certifications furnished to us by or on behalf of the Borrower (including certifications made in the Tax Regulatory Agreement and No-Arbitrage Certificate, dated the date of issuance of the Bonds, among the Issuer, the Borrower and the Trustee and the Land Use Restriction Agreements, dated as of the date of issuance of the Bonds, among the Issuer, each Borrower and the Trustee (collectively, the “Tax Agreements”), which are material to paragraphs 5 and 6 below), without undertaking to verify the same by independent investigation.

In all such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents presented to us as originals, and the conformity to original documents of all copies submitted to us as certified, conformed, or photographic copies. As to certificates, we have assumed the same to be properly given and to be accurate. With respect to matters of fact relevant to this opinion, we have relied, without independent verification of the accuracy or completeness of the matters set forth therein, on the representations and warranties of the parties thereto set forth in the documents and instruments pursuant to which the Bonds are being issued and secured, as well as in certificates of officers of the Issuer and the Borrowers delivered in connection with the issuance of the Bonds.

In our capacity as Bond Counsel, we have not been engaged nor have we undertaken to express and we do not express any opinion (other than as may be expressly set forth herein) with respect to (a) the legal existence or the due authorization, execution, or delivery by or enforcement against the Borrowers of any instrument or agreement in connection with the Projects or the Bonds, (b) title to the Projects or compliance with zoning, land use, and related laws, (c) the status or priority of any lien or matter of record or security interest purported to be created in connection with the foregoing, (d) the accuracy, completeness, or sufficiency of the Official Statement relating to the Bonds dated August 8, 2018 (except to the extent stated in our supplemental opinion dated the date hereof) or any other offering material relating to the Bonds or (e) the financial condition or capabilities of the Issuer or the Borrowers.

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

1. The Issuer is validly existing as a public body corporate and politic organized and existing under the laws of the State of Mississippi with the power and authority to (a) adopt the Bond Resolution and perform the agreements on its part contained therein, (b) issue, sell, and deliver the Bonds and use the proceeds thereof upon the terms and conditions and for the purposes set forth in the Agreement and in the Indenture, (c) enter into and perform its obligations under the Agreement and the Indenture, and (d) create the assignment, pledge, and security interest under the Indenture in favor of the owners of the Bonds.

2. The Resolution has been duly adopted by the Issuer, and the Agreement and the Indenture have been duly authorized, executed, and delivered by the Issuer and constitute valid and binding obligations of the Issuer enforceable upon the Issuer. The Indenture creates a valid lien on the Revenues and on the rights of the Issuer under the Agreement (except for the Reserved Rights).



3. The Bonds (a) have been duly authorized, executed, and issued by the Issuer and delivered to the Trustee for authentication and (b) are valid and binding special or limited obligations of the Issuer payable solely from the Revenues or as otherwise specified in the Indenture.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bond for any period during which such Bond is held by a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended (the “*Code*”). Further, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax, and, for purposes of computing the federal alternative minimum tax imposed on corporations for tax years beginning on January 1, 2018, such interest is not taken into account in determining adjusted current earnings. The opinions set forth in the first two sentences of this paragraph are subject to the condition that the Issuer and the Borrowers comply with all requirements of the Code and the Tax Agreements that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be (or continue to be) excludable from gross income for federal income tax purposes. The Issuer and the Borrowers have covenanted to comply with such requirements. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Interest on the Bonds are free from income taxation by the State of Mississippi.

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

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds, the Indenture, and the Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity.

The opinions provided in paragraphs 2 and 3 above are made in reliance on an opinion of Balch & Bingham LLP dated the date hereof, upon which we rely.

This opinion speaks only as of the date of its delivery. We do not undertake to supplement this opinion. This opinion is limited to the matters expressly set forth herein, and no opinion is to be inferred or may be implied beyond the matters expressly so stated. This opinion is limited to Mississippi law and applicable federal law in effect on the date hereof. This opinion may be relied upon solely by the addressees named above, and may not be used, circulated, quoted or otherwise referred to or relied upon for any other purposes without the express written consent of Butler Snow LLP.

Respectfully submitted

## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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

#### **Creation of Trust**

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

#### **Creation of Funds; Allocation of Bond Proceeds**

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

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

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

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

## **Application of Bond Loan Payments**

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

## **Disbursements from Project Fund**

When the Trustee receives a request from the Lender for disbursement from the Project Fund in accordance with the provisions of the Bond Loan Agreement, the Trustee shall confirm that Eligible Funds equal to or greater than the sum of (a) the amount set forth in the request for disbursement and (b) all prior disbursements made from the Project Fund. Upon confirmation of the above, the Trustee shall thereafter disburse funds to pay Project Costs in the amount requested from the Project Fund to the Lender, to the extent the deposit to the Collateral Fund was made by the Lender (as confirmed in the request or disbursement) or as directed by the Borrower; provided, however, to the extent money on deposit in the Project Fund is invested in Eligible Investments, the Trustee is authorized by the Indenture to make the following allocations and exchanges, which allocations and exchanges shall occur prior to the disbursement of amounts on deposit in the Project Fund to pay Project Costs: (i) allocate all or a portion of the Eligible Investments in the Project Fund, in the amount specified in the request for disbursement, to the Collateral Fund or (ii) transfer a like amount of Collateral Payments on deposit in the Collateral Fund to the Project Fund.

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

Notwithstanding anything in this section to the contrary, the Trustee shall be permitted by the Indenture to transfer funds from the Project Fund directly to the Collateral Fund upon the request of the Authorized Borrowers Representative substantially in the form attached to the Indenture as an exhibit. Each such request shall be consecutively numbered. The Trustee shall conclusively rely on such executed request as authority to make such transfer without any further inquiry.

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

For each Project, the proceeds of the Allocated Bonds shall be used or deemed used exclusively to pay costs that (i) are (A) capital expenditures (as defined in Section 1.150-1(a) of the Code's regulations) and (B) not made for the acquisition of existing property, to the extent prohibited in Section 147(d) of the Code, and (ii) are made exclusively with respect to a "qualified residential rental project" within the meaning of Section 142(d) of the Code and that the greatest number of buildings the proceeds of the Allocated Bonds shall be deemed allocated on a pro rata basis to the building in the Projects and the land on which it is located making up each Project so that the building and the land on which it is located

will have been financed fifty percent (50%) or more by the proceeds of the Allocated Bonds for 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 Borrowers and its members and partners and neither the Trustee nor the Corporation shall have any obligation to enforce this covenant nor shall they incur any liability to any person, including without limitation, the Borrowers, the members and partners of the Borrowers, any other affiliate of the Borrowers or the holders of the Bonds for any failure to meet the intent expressed in the foregoing representation, covenant and warranty; and provided further, failure to comply with this representation, covenant and warranty shall not constitute a default or Event of Default under the Indenture.

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

Notwithstanding 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 funds in the Collateral Fund plus funds in the Project Fund, including projected investment earnings, is or will be at least equal to the then outstanding amount of the Bonds.

### **Collateral Fund**

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

### **Bond Fund**

(a) Except as set forth under paragraph (d) below, the Bond Fund (and accounts therein for which provision is made in the Indenture or in the Bond Loan Agreement) and the moneys and Eligible Investments therein shall be used solely and exclusively for the payment of Bond Service Charges as they become due and at the Maturity Date, Mandatory Tender, or upon acceleration, all as provided in the Indenture and in the Bond Loan Agreement.

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

(c) In the event that amounts on deposit in the Initial Deposit Account and the Principal Payment Account of the Bond Fund on any Bond Loan Payment Date are insufficient to make the payment of Bond Service Charges due on the next succeeding Bond Payment Date, the Trustee shall

transfer funds in the following order to the applicable account of the Bond Fund and use such funds, together with amounts then on deposit in the Bond Fund, to pay the Bond Service Charges due on the next succeeding Bond Payment Date: (i) first, from amounts on deposit in the Initial Deposit Account of the Bond Fund; (ii) second, from amounts on deposit in the Collateral Fund; and (iii) third, from amounts on deposit in the Project Fund.

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

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

Moneys in the Special Funds, the Rebate Fund, and the Cost of Issuance Account will be invested and reinvested by the Trustee in Eligible Investments at the written direction of the Authorized Borrowers Representative. At no time will the Authorized Borrowers Representative direct that any funds constituting gross proceeds of the Bonds be used in any manner as would constitute failure of compliance with Section 148 of the Code. Investments of moneys in the Bond Fund will mature or be redeemable at the times and in the amounts necessary to provide moneys to pay Bond Service Charges on the Bonds. Each investment of moneys in the Project Fund will mature or be redeemable without penalty at such time as may be necessary to make payments from the Project Fund, including on each Interest Payment Date, any Mandatory Tender Date and the Maturity Date. Any of those investments may be purchased from or sold to the Trustee, the Registrar, an Authenticating Agent or a Paying Agent, or any bank, trust company or savings and loan association affiliated with any of the foregoing. The Trustee will sell or redeem investments credited to the Special Funds to produce sufficient moneys applicable under the Indenture to and at the times required for the purposes of paying Bond Service Charges when due as aforesaid, and will do so without necessity for any order on behalf of the Corporation and without restriction by reason of any order. An investment made from moneys credited to the Special Funds will constitute part of that respective Fund. All investment earnings from amounts on deposit in the Project Fund shall be credited to the Initial Deposit Account of the Bond Fund. All investment earnings from amounts on deposit in the Collateral Fund shall be credited to the Collateral Fund. All gains resulting from the sale of, or income from, any investment made from moneys credited to the Special Funds will be credited to and become part of the Bond Fund from which the investment was made. Notwithstanding the foregoing, any moneys held under the Indenture without the written direction of the Authorized Borrowers Representative shall be invested in Eligible Investments.

### **Defaults; Events of Default**

Each of the following is an “Event of Default” under the Indenture:

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

(d) the occurrence and continuance of an “Event of Default” as defined in the Bond Loan Agreement.

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

### **Acceleration**

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

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

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

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

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

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

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

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

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

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

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

As the assignee of all right, title and interest of the Corporation in and to the Bond Loan Agreement (except for the Unassigned Corporation's Rights), the Trustee is empowered to enforce each remedy, right and power granted to the Corporation under the Bond Loan Agreement. In exercising any remedy, right or power under the Indenture or the Bond Loan Agreement, the Trustee shall take such action as may be directed by the requisite percentage of the Holders of the Bonds then outstanding, applying the standards described in the Indenture.

### **Right of Holders to Direct Proceedings**

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

### **Applications of Moneys**

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

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

First -- To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest,

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

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

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

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

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

### **Rights and Remedies of Holders**

No Holder of any Bond will have any right to institute any suit, action or proceeding for the enforcement of the Indenture or for the execution of any trust under the Indenture or any remedy under the Indenture, unless (i) an Event of Default has occurred and is continuing of which the Trustee has been notified, and (ii) the Holders of not less than 25% in aggregate principal amount of the Bonds then Outstanding have made written request to the Trustee and have afforded the Trustee reasonable opportunity to proceed to exercise the powers provided in the Indenture or to institute such action, suit or proceeding and have offered to the Trustee indemnity as provided for in the Indenture, and (iii) the



Trustee thereafter has failed or refused to exercise its powers under the Indenture or to institute such action, suit or proceeding in its own name.

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

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

### **Waivers of Events of Default**

The Trustee may in its discretion waive any Event of Default under the Indenture upon the conditions stated therein and its consequences may rescind and annul any declaration of maturity of principal and interest on the Bonds upon the written request of the Holders of (i) at least a majority in aggregate principal amount of all the Bonds then outstanding with respect to which an Event of Default exists in the payment of Bond Service Charges or (ii) at least 25% in aggregate principal amount of all Bonds then Outstanding in case of any other Event of Default; provided, however, that there will not be waived any Event of Default in the payment of principal and interest, and any such declaration in connection therewith will not be rescinded, unless at the time of such waiver or rescission payment of all amounts payable under the Indenture (except the principal of, and interest accrued after the next preceding interest payment date on, the Bonds which have not reached their stated maturity dates and which are due and payable solely by reason of such declaration) will have been duly made or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default will have been discontinued or abandoned or determined adversely, then and in every such case, the Corporation, the Trustee and the Holders of the Bonds will be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission will extend to any subsequent or other Event of Default, or impair any right consequent thereon.

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

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

- (a) to cure any ambiguity, inconsistency or formal defect or omission in the Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority that lawfully may be granted to or conferred upon the Holders or the Trustee;
- (c) to assign additional revenues under the Indenture;

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

(e) to add to the covenants, agreements and obligations of the Corporation under the Indenture, other covenants, agreements and obligations to be observed for the protection of the Holders, or to surrender or limit any right, power or authority reserved to or conferred upon the Corporation in the Indenture;

(f) to evidence any succession to the Corporation and the assumption by its successor of the covenants, agreements and obligations of the Corporation under the Indenture, the Bond Loan Agreement and the Bonds;

(g) to permit the Trustee to comply with any obligations imposed upon it by law;

(h) to specify further the duties and responsibilities of, and to define further the relationship among, the Trustee, the Registrar and any Authenticating Agents or Paying Agents;

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

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

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

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

### **Supplemental Indentures Requiring Consent of Holders**

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

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

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

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

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

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

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

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

## **Release of Indenture**

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

Thereupon, and subject to the provisions of the Indenture,

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

(b) the Trustee and any other Paying Agents shall assign and deliver to the Corporation any property subject at the time to the lien of the Indenture which then may be in their possession, except amounts in the Bond Fund required (a) to be paid to the Borrowers under the Indenture, or (b) to be held by the Trustee and the Paying Agents under the Indenture or otherwise for the payment of Bond Service Charges.

## **Payment and Discharge of Bonds**

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

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

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

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

Any moneys held by the Trustee in accordance with the provisions of this section may be invested by the Trustee only in noncallable direct obligations of or obligations guaranteed as to full and timely payment by the United States of America having maturity dates, or having redemption dates

which, at the option of the Holder of those obligations, shall be not later than the date or dates at which moneys will be required for the purposes described above. To the extent that any income or interest earned by, or increment to, the investments held under this Section is determined from time to time by the Trustee to be in excess of the amount required to be held by the Trustee for the purposes of this section, that income, interest or increment shall be transferred at the time of that determination in the manner provided in the Indenture for transfers of amounts remaining in the Bond Fund.

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

### **Extent of Corporation's Covenants; No Personal Liability**

All agreements of the Corporation contained in the Indenture will be effective to the extent authorized and permitted by applicable law and they will not be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent or employee of the Corporation or the Board in his or her individual capacity. Neither any member of the Board nor any official of the Corporation executing the Bonds will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

### **Amendments to Bond Loan Agreement, Land Use Restriction Agreements and Bond Notes**

The Bond Loan Agreement, the Land Use Restriction Agreements and the Bond Notes may only be amended as permitted by the Indenture. Without the consent of or notice to the Holders, the Corporation and the Trustee may consent to any amendment, change or modification of the Bond Loan Agreement, the Land Use Restriction Agreements or the Bond Notes as may be required (i) by the provisions thereof, (ii) for the purpose of curing any ambiguity, inconsistency or formal defect or omission therein, (iii) in connection with an amendment or to effect any purpose for which there could be an amendment of the Indenture without the consent of the Holders as provided in the Indenture, or (iv) in connection with any other change therein which is not to the prejudice of the Trustee or the Holders of the Bonds, in the judgment of the Trustee. Except for such amendments, neither the Corporation nor the Trustee will consent to any amendment of the Bond Loan Agreement or the Bond Notes which would change the amount or time as of which Bond Loan Payments are required to be paid, without the giving of notice as provided in the Indenture and written approval or consent thereto of the Holders of all of the then Outstanding Bonds affected by such amendment, or any other amendment of the Bond Loan Agreement, the Land Use Restriction Agreements or the Bond Notes without the giving of notice as provided in the Indenture of the proposed amendment and 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.

### **RHS and GNMA Requirements to Control**

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

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

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

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

## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE BOND LOAN AGREEMENT

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

#### **Disbursements of Proceeds of the Allocated Bonds from the Project Fund**

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

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

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

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

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

#### **Loan Repayment; Delivery of Bond Notes**

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

Each Borrower shall be entitled to a credit against the Bond Loan Payments required to be made by it under the Bond Loan Agreement, on any date, equal to the amounts, if any, allocated to such Borrowers from amounts transferred by the Trustee from the Initial Deposit Account, the Project Fund or the Collateral Fund on such date for the payment of Bond Service Charges.

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

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

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

### **Completion of the Projects**

Each Borrower agrees to complete their respective Project and pay all costs incident thereto either from the loan of the Bond proceeds or other sources.

### **Borrowers to Maintain their Existence; Sales of Assets or Mergers**

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

Notwithstanding anything to the contrary contained in the Bond Loan Agreement, the following shall be permitted and shall not require the prior written approval of Corporation, Lender or Trustee, (a) the transfer by any investor in a Borrower of its interest in such Borrower in accordance with the terms of



the organizational documents under which such Borrower was created and is existing (the “Charter”), (b) the removal of the general partner of the sole member of such Borrower in accordance with the its organizing documents and the replacement thereof, (c) the transfer of ownership interests in the general partner of the sole member of such Borrower, (d) upon the expiration of the tax credit compliance period, the transfer of the interests of any investor in such Borrower to such Borrower’s general partner of its sole member or any of its affiliates, and (e) any amendment to such Borrower’s organizing documents to memorialize the transfers or removal described above.

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

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

### **Affirmative Covenants**

Unless the Trustee in its reasonable discretion shall otherwise consent in writing, each Borrower as to itself covenants as follows:

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

Keeping of Records and Books of Account. Each Borrower will keep adequate records and books of account in which complete entries will be made in accordance generally accepted accounting principles, consistently applied or indicating deviations therefrom, reflecting all financial transactions. Each Borrower will deliver to the Corporation and the Trustee annually by June 30 its year-end financial statements accompanied by a written statement of such Borrower’s independent public accountants that in making the examination necessary for certification of such financial statements, nothing has come to their attention that would lead them to believe that such Borrower has violated any of the terms, covenants or provisions of the Bond Loan Agreement insofar as it relates to accounting matters provided, however, the Trustee shall not have a duty to inspect the contents of such financial statements.

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

thereto, and (c) the title of a Borrower to, and its right to use, its properties is not materially and adversely affected thereby.

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

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

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

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

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

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

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

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

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

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

### **Additional Indebtedness**

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

### **Nature of Business**

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

### **Events of Default**

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

(a) failure by the Borrower to pay any Bond Loan Payment on or prior to the date on which due, including any Bond Loan Payment Cure Period;

(b) subject to Force Majeure as defined in the Bond Loan Agreement, failure by the Borrower to observe or perform any other agreement, term or condition under the Bond Loan Agreement for a period of 30 days after written notice, provided that if the failure is other than the payment of money and is of such nature that it can be corrected but not within the applicable period, that failure will not constitute an Event of Default so long as one or more Borrowers institute curative action within the applicable period and diligently pursues that action to completion, which must be resolved within 180 days after the aforementioned notice;

(c) the Borrower admits in writing its inability to pay its debts generally as they become due, have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect and not dismissed within 90 days, or commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or similar law, or has such a proceeding commenced against it and either has an order of insolvency or reorganization entered against them or have the proceeding remain undismissed and unstayed for 90 days, or make an assignment for the benefit of creditors, or 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 Bond Loan Agreement or any statement in any report, certificate, financial statement or other instrument furnished in connection with the Bond Loan Agreement or with the purchase of the Bonds will at any time prove to have been false or misleading in any adverse material respect when made or given; and

(e) there will occur an “Event of Default” as defined in the Indenture, the Tax Agreement or the Land Use Restriction Agreements.

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

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

(f) *No Cross-Default.* A Borrower's obligations under the Bond Loan Agreement relate to its respective Project and its pro rata share of total obligations. A default by one Borrower shall not create a default by another Borrower. Remedies for a default of one Borrower shall relate only to such Borrower's respective Project and its pro rata share of outstanding Bonds and obligations due.

## **Remedies**

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

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

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

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

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

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

or, if the Outstanding Bonds have been paid and discharged in accordance with the provisions of the Indenture, shall be paid as provided in the Indenture for transfers of remaining amounts in the Bond Fund.

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

### **Amendments, Changes and Modifications of the Bond Loan Agreement**

The Bond Loan Agreement and the Bond Notes may only be amended as permitted by the Indenture. See “APPENDIX C - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Amendments to Bond Loan Agreement, Land Use Restriction Agreements and Bond Notes.”

### **RHS and GNMA Requirements to Control**

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

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

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

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

## APPENDIX E

### SUMMARY OF CERTAIN PROVISIONS OF THE LAND USE RESTRICTION AGREEMENTS

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

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

#### **Qualified Residential Rental Project Requirements**

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

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

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

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

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

(e) *Use of Related Facilities by Tenants.* Any functionally related and subordinate facilities (e.g., swimming pools, other recreational facilities, parking areas, and other facilities which are reasonably required for the project, for example, heating and cooling equipment, trash disposal equipment or units for resident managers or maintenance personnel, etc.) (the "Related Facilities") for the Project will be made available to all tenants of the Project on an equal basis. Fees charged to residential tenants for use of the Related Facilities will be commensurate with fees charged for similar facilities at similar residential rental properties in the surrounding area and, in no event will any such fees charged to tenants

of the Project be discriminatory or exclusionary as to the Low and Moderate Income tenants of the Project. No Related Facilities will be made available to persons other than tenants or their guests. Parking, if available, will be made available to all tenants on a first come, first served basis;

(f) *No Continual or Frequent Nursing, Medical or Psychiatric Services.* No continual or frequent nursing, medical or psychiatric services will be provided to the residents of the Project.

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

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

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

(j) *Certificate of Project Commencement.* The Qualified Project Period with respect to the Bonds and the Project begins on the date of bond issuance;

(k) *No Discrimination.* During the term of the Land Use Restriction Agreement, the Borrower shall not discriminate on the basis of age, race, color, creed, national origin, religion, sex or marital status in the lease, use or occupancy of the Project except as otherwise permitted by federal, state or local law or in connection with the employment or application for employment of persons for the operation and management of the Project; and the Borrower specifically agrees that the Borrower will not refuse to lease units or deny occupancy in the Project to persons whose family includes minor dependents who will occupy such unit, unless such refusal is based upon factors not related to the presence of such minors in the family;

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

(m) *Certification of Income.* As a condition of occupancy, each Qualified Tenant shall be required to sign and deliver to the Borrower a Certification of Income, in a form designed to establish compliance with the applicable provisions of the Code and the Treasury Regulations, or as otherwise required by the Internal Revenue Service. Such Qualified Tenant shall also be required to provide whatever other information, documents or certifications are deemed necessary by the Borrower to substantiate the Certification. All Certifications of Income with respect to each Qualified Tenant who resides in a Residential Rental Unit in the Project or resided in a Residential Rental Unit during the

immediately preceding calendar year shall be maintained on file at the main business office of the Project and shall be available for inspection by the Issuer and the Trustee;

(n) *Annual Determinations.* The determination of whether a resident of the Project is a Qualified Tenant shall be made at least annually on the basis of the current income of all the residents of the Residential Rental Unit. Each lease to a Qualified Tenant entered into after the date hereof shall require the tenant to sign the Certification of Income annually, attesting to the combined income of all the occupants of each Residential Rental Unit and at any other time as the Borrower may reasonably request;

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

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

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

(r) *Occupancy Standards.* The Project shall satisfy the Occupancy Standards; and

(s) *Records Maintenance and Inspection.* During the term of the Land Use Restriction Agreement, the Borrower shall (i) maintain complete and accurate records pertaining to the Residential Rental Units occupied or to be occupied by Qualified Tenants, and (ii) permit any duly authorized representative of the Trustee, the Issuer, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the income of and Certificate of Income of Qualified Tenants residing in the Project upon reasonable notice and at reasonable times.

### **Transfer Restrictions**

(a) For the Qualified Project Period, except with respect to events such as foreclosure, deed in lieu of foreclosure, involuntary loss or other events described in Regulation § 1.103-8(b)(6)(iii)(a) and not otherwise described in paragraph (b) thereof, provided that proceeds received as a consequence of such events are used as provided in Regulation § 1.103-8(b)(6)(iii)(a), the Borrower shall not Transfer the Project or any interest therein, in whole or in part, except in accordance with the terms of the Indenture and Bond Loan Agreement (or either of them), and this section. Any Transfer of the Project or any



interest therein, in whole or in part, shall only be permitted if: (1) the Borrower shall not be in default under the Land Use Restriction Agreement; (2) the purchaser or assignee shall assume in writing in a form acceptable to the Issuer, all duties and obligations of the Borrower under the Land Use Restriction Agreement, including this section, and execute any necessary or appropriate document reasonably requested by the Trustee with respect to assuming its obligations under the Land Use Restriction Agreement, and the Financing Agreements in the form of an Assumption Agreement, which document shall be recorded in the Mississippi County's Clerk's Office; (3) the Trustee shall have received an opinion of Bond Counsel, which opinion is acceptable to the Trustee, to the effect that such transfer will not adversely affect the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes; (4) the Borrower shall deliver to the Trustee a certificate, acceptable in form to the Trustee, to the effect that the Borrower did not acquire the Project with the intention of sale upon completion of its rehabilitation; (5) the Borrower shall deliver to the Trustee an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under the Land Use Restriction Agreement and that such obligations and the Land Use Restriction Agreement are binding on the transferee; and (6) such other conditions are met as are set forth in or referred to in the Financing Agreements or as the Issuer may impose as part of the Assumption Agreement (i) to protect the exclusion of the interest on the Bonds from gross income of the owners thereof for federal income tax purposes, (ii) to ensure that the Project is not acquired by a person that has pending against it, or that has a history of, building code violations, as identified by municipal, county, state or federal regulatory agencies, and (iii) to provide that indemnification of the Issuer and the Trustee under the Land Use Restriction Agreement and elsewhere is assumed by the purchaser or assignee. The Borrower shall deliver the Assumption Agreement to the Trustee at least ten (10) business days prior to a proposed Transfer.

(b) The restrictions contained in paragraph (a) above shall not apply to (i) any transfer of limited membership or partnership interests in the Borrower or (ii) the removal of the Borrower's member or general partner by a limited partner of the sole member of the Borrower and the replacement of such member or general partner with a limited partner of the sole member of the Borrower; provided, however, that in the case of any proposed transfer of interests in the Borrower described in clauses (i) or (ii) and that is (i) proposed to occur within five (5) years of the issue date (as defined in Regulation § 1.150-1(b)) of the Bonds (the "Issue Date"), and (ii) where such interests are proposed to be transferred to any person or entity that (A) has or had an ownership interest (directly or indirectly) in the seller of the Project or the Project at any time during the five (5) year period immediately preceding the Issue Date of the Bonds, or (B) is a "substantial user" (as defined in Regulation § 1.142-4) of the Project at any time during the five (5) year period immediately following the Issue Date of the Bonds, the Borrower provides to the Issuer and the Trustee, as a condition precedent to any such transfer of interests in the Borrower an opinion of nationally recognized municipal bond counsel to the effect that any such proposed transfer of interests in the Borrower will not adversely affect the exclusion of interest on the Bonds from the gross income of the owners thereof for federal income tax purposes.

## **Termination**

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

(a) *Completion.* Upon the termination of the Qualified Project Period;

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

- (i) the Bonds are retired at their first applicable available call date; or
- (ii) any insurance proceeds or condemnation award or other amounts received as a result of such loss or destruction are used to provide a project that meets the requirements of Section 142(d) of the Code and Regulation § 1.103-8(b) as amended, or any successor law or regulation;

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

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

#### **Covenants to Run with the Land; Successors Bound**

The Borrower subjects the Real Estate to the covenants, reservations and restrictions set forth in the Land Use Restriction Agreement. The Issuer, the Trustee and the Borrower declare their express intent that the covenants, reservations and restrictions set forth in the Land Use Restriction Agreement shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law and shall pass to and be binding upon the Borrower's successors in title to the Real Estate throughout the term of the Land Use Restriction Agreement. Each and every contract, deed, mortgage, or other instrument hereafter executed covering or conveying the Real Estate or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage or other instrument.

#### **USDA Required Provisions**

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

Notwithstanding anything to the contrary contained in the Land Use Restriction Agreement, the enforcement of the Land Use Restriction Agreement shall not result in any claim against the Project, proceeds of the Mortgage Loan (as defined in the Indenture), any reserve or deposit made with the Lender or with another person or entity required by Rural Housing Services, an agency of the United States Department of Agriculture ("RHS") in connection with the loan transaction, or against rents or other income from the Project other than available "surplus cash" as defined in the Mortgage Loan Documents

available for distribution to the Borrower under the Mortgage Loan Documents. Nothing contained in this subsection, however, shall prevent or preclude the Trustee from using funds on deposit in the Bond Fund to make payments to Bondholders as and to the extent expressly permitted by the provisions of the Loan Agreement and the Indenture and/or to use funds on deposit in the Project Fund and Assignment Fund to make payments to or on behalf of the Lender.

If the Loan Agreement or the Land Use Restriction Agreement contains any provision requiring the Issuer, the Borrower or 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 authorized except to the extent that any such actions are required (or prohibited) by RHS or the Governmental National Mortgage Association (“GNMA”) pursuant to applicable RHS Requirements or GNMA Requirements or the terms of any of the Mortgage Loan Documents.

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

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## APPENDIX F

### FORM OF CONTINUING DISCLOSURE AGREEMENT

**\$7,000,000**

**Mississippi Home Corporation  
Multifamily Housing Revenue Bonds  
(Olsen RD Portfolio Project) Series 2018-7**

This Continuing Disclosure Agreement, dated as of August 1, 2018 (this “Continuing Disclosure Agreement”), is executed and delivered by (1) Picayune Bond TC LP, (2) Tunica Bond TC LP, and (3) Moss Point Bond TC LP, each a Mississippi limited partnership (each a “Borrower” and collectively, the “Borrowers”) and Hancock Whitney Bank, as dissemination agent (the “Dissemination Agent”) for the above-captioned bonds (the “Bonds”). The Bonds are being issued pursuant to a Trust Indenture, dated as of August 1, 2018 (the “Indenture”) between the Mississippi Home Corporation (the “Corporation”) and Hancock Whitney Bank (the “Trustee”). Pursuant to the Indenture and the Loan Agreement dated as of August 1, 2018 (the “Bond Loan Agreement”) between the Corporation and the Borrowers, the Dissemination Agent and the Borrowers covenant and agree as follows:

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

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

“*Annual Report*” shall mean any Annual Report provided by the Borrowers pursuant to, and as described in, Sections 3 and 4 of this Continuing Disclosure Agreement.

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

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

“*Disclosure Representative*” shall mean, with respect to the Borrowers, the administrator of the related Project or his or her designee, or such other Person as the Borrowers shall designate in writing to the Dissemination Agent from time to time.

“*Dissemination Agent*” shall mean Hancock Whitney Bank, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrowers and which has filed with the Trustee a written acceptance of such designation.

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

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

“*Participating Underwriter*” means Samco Capital Markets, Inc., and its successors and assigns.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Agency under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**Section 3. Provision of Annual Reports.** (a) The Borrowers will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrowers’ fiscal year, commencing with the fiscal year ending in 2018, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrowers will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report of the Borrowers may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrowers may be submitted separately from the balance of its Annual Report.

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

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

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

**Section 4. Content of Annual Reports.** The Borrowers’ Annual Report will contain or incorporate by reference the financial information with respect to the Projects, provided at least annually, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrowers’ audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements will be filed in the same manner as the Annual Report when they become available; and

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the Borrowers are an “Obligated Person” (as defined by the Rule), which have been filed with the MSRB. The Borrowers will clearly identify each such other document so incorporated by reference.

**Section 5. Reporting of Material Events.** (a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events (each, a “Material Event”):

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

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Material Event, pursuant to subsection (c) of this Section or otherwise, provide the Disclosure Representative with notice (by facsimile transmission confirmed by telephone). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall not be

deemed to have actual knowledge of those items listed in clauses (ii), (vi), (vii), (x), and (xi) above without the Dissemination Agent having received written notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of those items listed in clauses (i) - (xiv) above without the Dissemination Agent having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

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

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

(e) If the Dissemination Agent has been provided with a written notice describing a Material Event pursuant to subsection (c) of this Section or otherwise, and is instructed by a Borrower to report the occurrence of such Material Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event no more than ten (10) Business Days after the occurrence of the Material Event, file the notice with the MSRB and send a copy to such Borrower. The foregoing notwithstanding, notice of a Material Event described in subsections (a)(viii) and (ix) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Indenture.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrowers and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Trustee will agree to any amendment so requested by the Borrowers) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

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

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

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

In the event of any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Borrowers will describe such amendment in the next Annual Report and will include, as applicable, a

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

**Section 7. Default.** In the event of a failure of the Borrowers or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, will), or the Borrowers or any Holder or Beneficial Borrower of the Bonds may, take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrowers or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Financing Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrowers or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

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

**Section 9. Additional Information.** Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrowers from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Borrowers choose to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is specifically required by this Continuing Disclosure Agreement, the Borrowers shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

**Section 10. Duties, Immunities and Liabilities of Trustee and Dissemination Agent.** Article VII of the Indenture is hereby made applicable to this Continuing Disclosure Agreement as if this Continuing Disclosure Agreement were (solely for this purpose) contained in the Indenture and the Dissemination Agent shall be entitled to the same protections, limitations from liability and indemnities afforded the Trustee thereunder. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Borrowers agree to indemnify and save the Dissemination Agent, the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of their rights, obligations, powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or Trustee's respective negligence or willful misconduct. The obligations of the Borrowers under this Section shall survive the termination of this Continuing Disclosure Agreement, the resignation or removal of the Dissemination Agent or the Trustee and payment of the Bonds. The Dissemination Agent and the Trustee shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Borrowers, the Bondholders, or any other party. Neither the Trustee or the Dissemination Agent shall



have any liability to the Bondholders or any other party for any monetary damages or financial liability of any kind whatsoever related to or arising from the breach of this Continuing Disclosure Agreement.

The Dissemination Agent agrees to disseminate the information provided to it hereunder in the form delivered by the Borrowers. The Dissemination Agent is acting hereunder solely in an agency capacity and as such is merely a conduit for the Borrowers, and shall have no liability or responsibility for the form, content, accuracy or completeness of any information furnished hereunder. Any such information may contain a legend to that effect.

The Dissemination Agent shall have no obligation to make disclosure concerning the Bonds, the Projects or any other matter except as expressly set out herein, provided that no provision of this Continuing Disclosure Agreement shall limit the duties, trusts, rights, powers or obligations of the Trustee under the Indenture. The fact that the Trustee has or may have any banking, fiduciary or other relationship with the Borrowers or any other party in connection with the Projects or otherwise, apart from the relationship created by the Indenture and this Continuing Disclosure Agreement, shall not be construed to mean that the Trustee has knowledge or notice of any event or condition relating to the Bonds or the Projects except in its respective capacities under such agreements.

No provision of this Continuing Disclosure Agreement shall require or be construed to require the Borrowers or the Dissemination Agent to interpret or provide an opinion concerning any information disclosed hereunder.

The Annual Report may contain such disclaimer language as the Borrowers may deem appropriate. Any information disclosed hereunder by the Dissemination Agent may contain such disclaimer language as the Dissemination Agent may deem appropriate.

The Borrowers hereby agree to compensate the Dissemination Agent for the services provided and the expenses incurred pursuant to this Continuing Disclosure Agreement, in an amount to be agreed upon from time to time hereunder, and to reimburse the Dissemination Agent upon its request for all reasonable expenses, disbursements and advances incurred by the Dissemination Agent hereunder (including any reasonable compensation and expenses of counsel) except any such expense, disbursement or advance that may be attributable to its negligence or willful misconduct.

The Dissemination Agent may consult with counsel of its choice and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, it being understood that for purposes of this provision, that such counsel may be counsel to the Borrowers.

No provision of this Continuing Disclosure Agreement shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights of powers.

**Section 11. Notices.** All notices and other communications required or permitted under this Continuing Disclosure Agreement shall be in writing and shall be deemed to have been duly given, made and received only when delivered (personally, by recognized national or regional courier service, or by other messenger, for delivery to the intended addressee) or when deposited in the United States mail, registered or certified mail, postage prepaid, return receipt requested, addressed as set forth below.

(i) *If to the Borrowers:*

(Insert Borrower entity name)

c/o Olsen Securities  
2701 Houma Boulevard  
Metairie, Louisiana 70048  
Telephone: (504) 887-0900  
Attention: Chris Stant

(ii) *If to the Dissemination Agent:*

Hancock Whitney Bank  
1855 Lakeland Drive  
Suite Q-230  
Jackson, MS 39216  
Attention: Susan R. Tsimortos, Esq.

**Section 12. Governing Law.** This Continuing Disclosure Agreement shall be governed by the laws of the State of Mississippi.

**Section 13. Termination of this Continuing Disclosure Agreement.** The Borrowers or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. Also, this Continuing Disclosure Agreement shall terminate automatically upon payment or provision for payment of the Bonds.

**Section 14. Counterparts.** This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**Section 15. RHS and GNMA Requirements to Control.** To the extent there is any conflict, inconsistency or ambiguity between or among the provisions of this Continuing Disclosure Agreement and the RHS Requirements or the Mortgage Loan Documents, then in such event the RHS Requirements and the Mortgage Loan Documents will be deemed to be controlling and any such ambiguity or inconsistency will be resolved in favor of and pursuant to the RHS Requirements and the Mortgage Loan Documents.

Notwithstanding anything to the contrary contained herein, the enforcement of this Continuing Disclosure Agreement shall not result in any claim against the Project, Mortgage Loan proceeds, any reserve or deposit made with Lender or with another person or entity required by RHS in connection with the Mortgage Loan transaction, or against rents or other income from the Project other than available "surplus cash" as defined in the Mortgage Loan Documents available for distribution to the Borrower under the Mortgage Loan Documents.

If this Continuing Disclosure Agreement contains any provision requiring the Corporation, the Borrowers, the Dissemination Agent, or the Trustee or any other party to the transaction to take any action necessary to preserve the tax exemption of interest on the Bonds, or prohibiting any such party to the transaction from taking any action that might jeopardize such tax exemption, such provision is qualified to except any actions required (or prohibited) by RHS pursuant to applicable RHS Requirements or the terms of any of the Mortgage Loan Documents.

Notwithstanding any provision of this Continuing Disclosure Agreement to the contrary, the parties hereto acknowledge and agree that all of their respective rights and powers to any assets or properties of the Borrower are subordinate and subject to the liens created by the Mortgage, together with

any and all amounts from time to time secured thereby, and interest thereon, and to all of the terms and provisions of the Mortgage, and any and all other documents executed by the Borrower as required by RHS in connection therewith.

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[Borrowers' Signature Page to Continuing Disclosure Agreement]

**PICAYUNE BOND TC LP,**  
a Mississippi limited partnership

By: \_\_\_\_\_  
Chris Stant, General Partner

**TUNICA BOND TC LP,**  
a Mississippi limited partnership

By: \_\_\_\_\_  
Chris Stant, General Partner

**MOSS POINT BOND TC LP,**  
a Mississippi limited partnership

By: \_\_\_\_\_  
Chris Stant, General Partner

[Counterpart Signature Page to Continuing Disclosure Agreement]

**HANCOCK WHITNEY BANK,**  
as Dissemination Agent

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

**EXHIBIT A**

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF  
FAILURE TO FILE ANNUAL REPORT**

Name of Corporation: Mississippi Home Corporation

Name of Bond Issue: \$7,000,000 Mississippi Home Corporation Multifamily Housing  
Revenue Bonds (Olsen RD Portfolio Project), Series 2018-7

CUSIP: 60535N CG0

Name of Borrower: (1) Picayune Bond TC LP, (2) Tunica Bond TC LP, and (3) Moss Point Bond TC  
LP, each a Mississippi limited partnership

Date of Issuance: August 15, 2018

NOTICE IS HEREBY GIVEN that the above-referenced borrowers (the "Borrowers") have not provided an Annual Report in connection with the above-named bonds (the "Bonds") as required by a Trust Indenture, dated as of August 1, 2018 (the "Indenture"), between the above-named Corporation (the "Corporation") and Hancock Whitney Bank, as trustee (the "Trustee"). The undersigned has been informed by the Borrowers that it anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated:

**HANCOCK WHITNEY BANK**, as  
Dissemination Agent

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

cc: Borrower