
Tina Smith-Booth          Lisette Belon  
President                   Secretary

Purpose: To authorize the President, or her designee, of Housing Opportunity Corporation (the “Corporation”) to purchase the Martel Apartments and Parthenia Apartments from the Housing Authority through a Fee Simple Transfer and assume debt for the Projects by entering into a Loan Agreement with the Housing Authority. This transaction is pursuant to the issuance by the Housing Authority of its Mortgage Revenue Bonds (the “Union Portfolio Project”) 2021 Series A (the “2021 A Bonds”).

To authorize the President, or her designee, to execute a Loan Agreement as the Borrower with the Housing Authority for the purchase of these properties for a combined maximum loan amount not-to-exceed $13,500,000, to enter into a Bond Purchase Agreement as the Borrower, execute an Official Statement with respect to the 2021 A Bonds and to execute any related documents and agreements and to take any and all actions necessary to effectuate the bond closing and the property transfer.

Regarding: This action is in connection with Resolution 2019-01 dated December 19, 2019, which authorized the Corporation to incur debt with the Housing Authority and to accept ownership of four Housing Authority-owned projects (Bella Vista, Clemson-Corbett, Laveta Terrace, and Union Tower) and one new project (Tobias) related to that debt. This action similarly will result in the Corporation accepting additional debt with the Authority and ownership of two new properties (Martel and Parthenia).

Issues: Background: The Housing Opportunity Corporation, Inc. (the “Corporation”) is authorized to transact business and exercise powers under and pursuant to the provisions of the
Nonprofit Public Benefit Corporation Law consisting of Part 2 of Division 2 of Title 1 of the California Corporations Code.

The Authority acquired the Projects through a Line of Credit ("LOC") and the State’s Department of Housing and Community Development’s ("HCD") Project Homekey Program grant funding. The 2021 A Bonds for a maximum amount not-to-exceed $13,500,000 will be used by the Corporation to pay off the Housing Authority’s LOC. The Authority will sell the Projects to the Corporation and both parties will enter into a First Amendment to Loan Agreement whereby the Authority will loan its bond proceeds to the Corporation to purchase the Projects. The Projects will be added to the Union Portfolio at bond closing. The Corporation currently owns all of the other properties included in the Union Portfolio.

The Corporation will become the legal owner of the Projects which will serve to distance the Housing Authority from potential legal claims arising from the routine course of asset management property operations.

The New Projects:
The Housing Authority acquired both Projects on November 6, 2020 in accordance with the Housing Authority’s Real Estate Acquisition and Disposition of Real Property Policy. The properties are Martel Apartments, located at 1643 N. Martel Ave., Los Angeles, CA, and Parthenia Apartments, located at 15230 Parthenia St, Los Angeles, CA. Martel Apartments was built in 1986 and renovated between 2015-2019. The Martel Apartments property has eleven (11) units consisting of one (1) studio, six (6) one-bedroom one bathroom units, and four (4) two-bedroom one bathroom units. Parthenia Apartments was built in 2020 and received its Certificate of Occupancy in July 2020. The Parthenia Apartments property has forty-one (41) units comprised of eight (8) one-bedroom one bathroom units, twenty-two (22) two-bedroom two bathroom units, and eleven (11) three-bedroom 2 bathroom units. Both properties were included in HACLA-Asset Management’s response to HACLA’s PBV NOFA No. HA-2020-120, which was released in connection with the HCD’s Project HomeKey Program and were awarded S8 Project Based Vouchers ("PBV"). The Projects both have Regulatory Covenants recorded requiring they be operated to serve homeless or those at risk of homelessness for a period of no less than fifty-five years. The PBV will allow both Projects to have sufficient income to operate to serve this public purpose, and the Corporation will assume contracts with EAH to manage both properties and with The Alcott Center and LA Family Housing to provide intensive services to residents within each property.

The target date for the Authority’s bond issuance closing and the transfer of the Properties to the Corporation is scheduled for late January or early February 2021.

Funding: The Chief Administrative Officer confirms the following:

Source of Funds: No funds are required for the purchase of the Projects. Funds necessary to permanently finance the Projects by the Corporation will be loaned by the Authority to the Corporation from Bond proceeds under the First Amendment to Loan Agreement with the Authority.

Budget and Program Impact: Debt service payments for the Projects are budgeted annually and paid from the
operating income of the Union portfolio.

Transfer of the Projects from Authority ownership to the Corporation is a proactive risk mitigation action. This property transfer does not represent a program or policy change.

Environmental Review:

HACLA, as Lead Agency for CEQA review, took related CEQA actions and filed a Notice of Exemption with the County for both Projects. A NEPA review was completed with the City as a requirement of HomeKey funding.

Section 3: Not Applicable.

Attachments:

1. Resolution
2. Exhibit A – Form of First Amendment to Loan Agreement
3. Exhibit B – Form of Bond Purchase Agreement
4. Exhibit C – Form of Multi-Family Promissory Note
5. Exhibit D – Preliminary Official Statement
6. Exhibit E – Purchase Agreement between the Authority and the Corporation

WHEREAS, the Housing Opportunity Corporation (the “Corporation”) is a non-profit public benefit corporation, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Part 2 of Division 2 of Title 1 of the California Corporations Code (the “Act”);

WHEREAS, the Act authorizes the Corporation to make and execute contracts and other instruments necessary or convenient to the exercise of its powers;

WHEREAS, the Housing Authority of the City of Los Angeles (“Authority”) previously issued its Mortgage Revenue Refunding Bonds (Union Portfolio Project) 2020 Series A and Mortgage Revenue Bonds (Union Portfolio Project) 2020 Series B (together, the “2020 Series Bonds”) in the aggregate original principal amount of $31,170,000 pursuant to a Trust Indenture dated as of May 1, 2020 and loaned the proceeds thereof to the Corporation pursuant to a Loan Agreement dated as of May 1, 2020 between the Authority and the Corporation (the “Original Loan Agreement”) for the purpose of financing the acquisition or recapitalization of certain multifamily rental housing projects;

WHEREAS, the Corporation now wishes to purchase and accept from the Authority, multifamily rental housing projects commonly known as Martel Apartments, located at 1643 N. Martel Avenue, Los Angeles, CA 90046, and Parthenia Apartments, located at 15230 Parthenia Street, Los Angeles, CA 91343 (the “Projects”);

WHEREAS, the Authority proposes to issue its Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A (the “Bonds”) in an amount not to exceed $13,500,000 and loan the proceeds thereof to the Corporation pursuant to the Original Loan Agreement, as amended and supplemented by the First Amendment to Loan Agreement between the Authority and the Corporation (the “First Amendment to Loan Agreement” and together with the Original Loan Agreement, the “Loan Agreement”), to finance the acquisition, rehabilitation and equipping of the Projects by the Corporation;

WHEREAS, the Corporation has the power and authority to purchase and accept the Projects from the Authority, finds that it is in the public interest and furthers the corporate purposes of the Corporation to purchase and accept the Projects from the Authority, and therefore now intends to accept the Projects from the Authority (the “Project Transfer”) through a loan of bond proceeds from the Authority to the Corporation pursuant to the Loan Agreement;
WHEREAS, the Authority and the Corporation, as the Borrower of bond proceeds, will enter into a Bond Purchase Agreement (the “Bond Purchase Agreement”) with Raymond James & Associates, Inc., the underwriter of the Bonds (the “Underwriter”), specifying the terms and conditions of the issuance and sale of the Bonds by the Authority and the purchase of the Bonds by the Underwriter;

WHEREAS, there have been presented at this meeting forms of the following documents:

1. the Loan Agreement Amendment;
2. the form of Multi-Family Promissory Note as set forth in the Loan Agreement Amendment;
3. the Bond Purchase Agreement;
4. the Preliminary Official Statement; and
5. the Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Housing Opportunity Corporation does hereby authorize and approve as follows:

Section 1. The recitals hereinabove set forth are true and correct, and this Board of Directors so finds.

Section 2. The form and content of the Loan Agreement, Multi-Family Promissory Note, the Bond Purchase Agreement and the Preliminary Official Statement (collectively together with any other document, agreement or certificate entered into by the Corporation pursuant to the provisions hereof, the “Corporation Financing Documents”) are hereby approved. The President, the Secretary and the Treasurer of the Corporation (collectively, the “Authorized Representatives”) and each of their respective designees are each hereby authorized and directed, for and on behalf of and in the name of the Corporation, to execute and attest the Corporation Financing Documents and any other documents, agreements and certificates necessary to accomplish the transaction contemplated by this Resolution, with such changes therein as such person(s), with the advice of counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. The Corporation hereby approves the purchase and accepts the Projects under the terms of the Purchase Agreement from the Authority and the use of bond proceeds loaned by the Authority to the Corporation and the Authorized Representatives or their respective designees are hereby authorized and directed, for and on behalf of and in the name of the Corporation, to execute the Loan Agreement and any other documents, agreements or certificates related thereto necessary or convenient to accomplish the Project Transfer and the intent of this Resolution with such changes as approved by legal counsel.

Section 4. The Authorized Representatives and officers of the Corporation and their respective designees are hereby authorized and directed to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate, carry out, give effect to and comply with the terms and intent of this Resolution and the consummation of the transactions contemplated hereby. All actions heretofore taken by the officers, employees and agents of the Corporation with respect to the transactions contemplated in this Resolution are hereby approved and ratified, and the officers of the Corporation and the authorized deputies and employees of the Corporation, and each of them, are hereby authorized and directed to do any and all things and to enter into and execute, acknowledge and deliver any and all agreements, assignments, certificates and other documents that they or counsel may deem necessary or advisable to consummate the transactions contemplated in this Resolution
and otherwise to effectuate the purposes of this Resolution without further approval of the Corporation.

BE IT FURTHER RESOLVED that this Resolution shall be effective upon its adoption.

PASSED AND ADOPTED by the Housing Opportunity Corporation this 17th day of December 2020.

APPROVED AS TO FORM:          HOUSING OPPORTUNITY CORPORATION
JAMES JOHNSON

By: ___________________________
       Chairperson

By: ___________________________
    General Counsel

DATE ADOPTED: __________________
EXHIBIT A

Form of First Amendment to Loan Agreement
FIRST AMENDMENT TO LOAN AGREEMENT

by and between

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES,
as Authority

and

HOUSING OPPORTUNITY CORPORATION,
as Borrower

Relating to

$11,500,000
Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

Dated as of [January 1], 2021
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**EXHIBIT A**  Description of the Projects

**EXHIBIT B**  Form of Promissory Note

**EXHIBIT C**  Form of Project Fund Requisition
FIRST AMENDMENT TO LOAN AGREEMENT

This FIRST AMENDMENT TO LOAN AGREEMENT, dated as of [January 1], 2021 (this “First Amendment to Loan Agreement”), by and between the HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, duly created, established and authorized to transact business under the laws of the State of California (the “Authority”), and HOUSING OPPORTUNITY CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Borrower”), all under the circumstances summarized in the following recitals (the capitalized terms not defined above or in the recitals have the meanings set forth in the herein defined Indenture);

WITNESSETH:

WHEREAS, the Authority is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Act;

WHEREAS, the Authority previously acquired the 2021 Series A Projects (defined below) with the proceeds of a revolving credit facility and Homekey Program grant funding, [and the Authority intends to repay such outstanding portion of the revolving credit facility with the proceeds it receives from the Borrower in consideration for the Authority’s transfer,] to the Borrower, of certain multifamily rental housing projects known as Martel, located at 1643 N. Martel Avenue, Los Angeles, CA 90046, and Parthenia, located at 15230 Parthenia Street, North Hills, CA 91343 (the “2021 Series A Projects”);

WHEREAS, the Borrower is seeking the financial assistance of the Authority for financing the acquisition from the Authority of the 2021 Series A Projects, which are located within the territorial limits of the City of Los Angeles, California (the “Project Jurisdiction”);

WHEREAS, pursuant to and in accordance with the Act, the Authority is authorized to issue bonds for any of its corporate purposes, and to further secure such bonds by a pledge of revenues and receipts to be received from or with respect to any mortgage loans;

WHEREAS, the Authority previously issued its Mortgage Revenue Refunding Bonds (Union Portfolio Project) 2020 Series A (the “2020 Series A Bonds”) and its Mortgage Revenue Bonds (Union Portfolio Project) 2020 Series B (the “2020 Series B Bonds”) in the combined aggregate principal amount of $31,170,000 (collectively, the “2020 Bonds”) pursuant to the Trust Indenture dated as of May 1, 2020 between the Authority and MUFG Union Bank, N.A. (the “Trustee”) (the “Original Indenture”), and loaned the proceeds thereof to the Borrower pursuant to the Loan Agreement, dated as of May 1, 2020 (the “Original Loan Agreement”), between the Authority and the Borrower; and

WHEREAS, in order to provide funds to loan to the Borrower to finance the acquisition costs of the 2021 Series A Projects, the Authority has agreed to issue its $11,500,000 Housing Authority of the City of Los Angeles Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A (the “2021 Series A Bonds”) as Additional Bonds pursuant to and secured by the Original Indenture, as amended and supplemented by a First Supplemental Trust Indenture (the
“First Supplemental Indenture”) between the Authority and the Trustee (collectively, the "Indenture");

WHEREAS, pursuant to and in accordance with the Act, the Authority proposes to loan to the Borrower the proceeds of the 2021 Series A Bonds in order to assist in financing the acquisition from the Authority of the 2021 Series A Projects, and the Borrower desires to borrow from the Authority the proceeds of the 2021 Series A Bonds upon the terms and conditions set forth in this First Amendment to Loan Agreement and the Original Loan Agreement (together, the "Loan Agreement"); and

WHEREAS, for and in consideration of such loan, the Borrower agrees, inter alia, to make Basic Loan Payments and Additional Payments sufficient to pay on the dates specified in Section 3.2 of the Loan Agreement, as amended hereby, the principal of, premium, if any, and interest on, the Bonds; and

WHEREAS, the Authority and the Borrower have each duly authorized the execution, delivery and performance of this First Amendment to Loan Agreement; and

WHEREAS, the Authority and Trustee have received a Favorable Opinion of Bond Counsel with respect to the Outstanding Tax-Exempt Bonds.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. All terms defined in Article I of the Original Indenture and Article I of the First Supplemental Indenture and not otherwise defined herein shall have the same meaning in this First Amendment to Loan Agreement.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the Authority. The Authority represents that the representations of the Authority contained in Section 2.1(a) of the Original Loan Agreement are true and correct as of the date hereof. In addition to the foregoing, the Authority represents with respect to the issuance of the 2021 Series A Bonds the following:

(a) The 2021 Series A Bonds have been duly authorized, executed and delivered by the Authority. Nothing in this Loan Agreement shall be construed as requiring the Authority to provide any financing for the 2021 Series A Projects other than the proceeds of the 2021 Series A Bonds or to provide sufficient moneys for all of the cost of financing the 2021 Series A Projects.
(b) To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation by or before any court, governmental agency or public board or body pending or threatened against the Authority which (i) affects or seeks to prohibit, restrain or enjoin the issuance, execution or delivery of the 2021 Series A Bonds, the origination of the loan or the lending of the proceeds of the 2021 Series A Bonds to the Borrower, or the execution and delivery of the First Supplemental Indenture, the 2021 Series A Bonds, the Tax Agreement or this First Amendment to Loan Agreement or (ii) affects or questions the validity or enforceability of the Original Indenture, Original Loan Agreement, First Supplemental Indenture, the 2021 Series A Bonds, the Tax Agreement or this First Amendment to Loan Agreement.

Section 2.2. **Representations and Covenants by the Borrower.** The Borrower represents and warrants that:

(a) No Event of Default under the Original Indenture or Default under any Borrower’s Document has then occurred and is continuing.

(b) it has received no notice of default under the Original Loan Agreement or any other Borrower’s Documents, and the Borrower is not aware of any occurrence of an event of default which with the passage of time or the giving of notice would constitute a default under the Original Loan Agreement or any other Borrower’s Documents.

(c) as of the date hereof, the Borrower affirms the representations and agrees to be bound by covenants made by the Borrower in the Original Loan Agreement and agrees that such representations and covenants shall be construed and read to include and relate to the 2021 Series A Bonds and the 2021 Series A Projects, as applicable.

(d) it shall make Basic Loan Payments sufficient to pay on the dates specified in Section 3.2 of the Loan Agreement, as amended hereby, the principal of, premium, if any, and interest on, the Bonds.

(e) it shall subject the 2021 Series A Projects to the lien of the Mortgage as security for the Bonds.

Section 2.3. **Borrower’s Request and Certifications.** In connection with the issuance of the 2021 Series A Bonds and pursuant to the requirements of the Original Indenture and Original Loan Agreement the Borrower:

(a) hereby requests the Authority to issue the 2021 Series A Bonds and loan the proceeds thereof to the Borrower in order to finance the Borrower’s acquisition of the 2021 Series A Projects;

(b) hereby represents to the Authority and the Trustee that the Debt Service Coverage Ratio on all Outstanding Bonds for the current Fiscal Year will be equal to or greater than 1.20 to 1.00 after giving effect to the issuance of the 2021 Series A Bonds plus any Project Revenues and Operating Expenses of the 2021 Series A Projects as evidenced by a certification delivered to the Authority and Trustee from the Borrower accompanied by proforma calculations;
Section 2.4. **Borrower’s Tax Covenants.** The Borrower represents and warrants that the representations of the Borrower contained in Sections 2.4 and 2.5 of the Original Loan Agreement are true and correct as of the date hereof.

As of the date hereof, the Borrower agrees to be bound by the covenants made by the Borrower in Sections 2.4 and 2.5 of the Original Loan Agreement and agrees that such covenants shall be construed and read to include and relate to the 2021 Series A Bonds and the 2021 Series A Projects, as applicable. All covenants and obligations of the Borrower contained in Sections 2.4 and 2.5 of the Original Loan Agreement shall remain in effect and be binding upon the Borrower until all Series of Tax-Exempt Bonds have been paid, notwithstanding any earlier termination of the Loan Agreement or any provision for payment of principal of and premium, if any, and interest on the outstanding Series of Tax-Exempt Bonds and Loan Repayments and release and discharge of the Indenture.

**ARTICLE III**

**THE 2021 SERIES A PROJECTS; ISSUANCE OF THE 2021 SERIES A BONDS**

Section 3.1. **The 2021 Series A Bonds.** Pursuant to the Indenture, the Authority has authorized the issuance of the 2021 Series A Bonds in the aggregate principal amount of $11,500,000. The Authority hereby loans and advances to the Borrower, and the Borrower hereby borrows and accepts from the Authority (solely from the proceeds of the sale of the 2021 Series A Bonds), the proceeds of the 2021 Series A Bonds to be applied under the terms and conditions of the Loan Agreement and the Indenture. The Borrower hereby approves the Indenture, the assignment thereunder to the Trustee of the right, title and interest of the Authority in the Loan Agreement (except for the Unassigned Rights) and the issuance thereunder by the Authority of the 2021 Series A Bonds. The Borrower shall use the proceeds of the 2021 Series A Bonds deposited into the 2021 Series A Projects Account of the Project Fund to finance the 2021 Series A Projects with all reasonable dispatch. The Borrower shall (i) pay when due all fees, costs and expenses incurred in connection with the foregoing from funds made available therefor in accordance with the Loan Agreement or otherwise, unless any such fees, costs or expenses are being contested by the Borrower in good faith and by appropriate proceedings; (ii) ask, demand, sue for, levy, recover and receive all those sums of money, debts and other demands whatsoever which may be due, owing and payable under the terms of any contract, order, receipt, writing and instruction in connection with the 2021 Series A Projects; and (iii) enforce the provisions of any contract, agreement, obligation, bond or other performance security with respect thereto.

Section 3.2. **Borrower Required To Pay Costs in Event 2021 Series A Projects Account Insufficient.** If moneys in the 2021 Series A Projects Account of the Project Fund are not sufficient to pay all costs of the 2021 Series A Projects, the Borrower shall not be entitled to any reimbursement for any such additional costs of the 2021 Series A Projects from the Authority, the Trustee or any registered owner; nor shall it be entitled to any abatement, diminution or postponement of its obligation to make the Loan Repayments or pay Base Rent and Additional Rent, as the case may be.

Section 3.3. **Disbursements from the 2021 Series A Projects Account and Costs of Issuance Account.** The Authority has, in the First Supplemental Indenture, authorized and
directed the Trustee to make payments from the 2021 Series A Projects Account to pay Costs of the Projects of the 2021 Series A Projects and from the Costs of Issuance Account for the payment of Costs of Issuance of the 2021 Series A Bonds as provided in the Indenture. The Authority does not make any warranty either express or implied that the moneys in such accounts available for payment of the foregoing costs will be sufficient to pay such costs in full, and the Borrower agrees to pay or cause to be paid that portion of such costs in excess of the amount in such Accounts from any moneys legally available for such purpose.

Section 3.4. **Amendment to List of Projects.** Exhibit A of the Original Loan Agreement is hereby amended and restated to read as set forth in Exhibit A attached hereto.

**ARTICLE IV**

**PAYMENTS**

Section 4.1. **Amendments.**

(a) Section 3.2(a) of the Original Loan Agreement is hereby amended and restated to read as follows:

(a) **The Loan.** The Authority agrees, upon the terms and conditions herein, to lend to the Borrower the proceeds received by the Authority from the sale of the 2020 Bonds and the 2021 Series A Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Authority to make the Loan shall be deemed fully discharged upon the deposit of the proceeds of the 2020 Bonds and the 2021 Series A Bonds with the Trustee. The Loan shall be evidenced by the Note.

Section 4.2. **Conditions Precedent.** The obligation of the Authority to make the Loan of the proceeds of the 2021 Series A Bonds as herein provided shall be subject to the receipt by it of the proceeds of the issuance and sale of the 2021 Series A Bonds and an executed Note in the form of Exhibit B to this First Amendment to Loan Agreement.

**ARTICLE V**

[RESERVED]

**ARTICLE VI**

**MISCELLANEOUS**

Section 6.1. **Execution in Counterparts.** This First Amendment to Loan Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same First Amendment to Loan Agreement. The exchange of
copies of this First Amendment to Loan Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this First Amendment to Loan Agreement as to the parties hereto and may be used in lieu of the original Loan Agreement and signature pages for all purposes.

Section 6.2. **Effective Date.** This First Amendment to Loan Agreement shall take effect immediately upon its execution and delivery by the Authority, the Borrower and the Trustee.

Section 6.3. **Severability.** In the event any provision of this First Amendment to Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 6.4. **Confirmation of Original Loan Agreement.** As supplemented and amended by this First Amendment to Loan Agreement, the Original Loan Agreement is in all respects ratified and confirmed, and the Original Loan Agreement and this First Amendment to Loan Agreement shall be read, taken and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants and agreements of the Original Loan Agreement shall apply and remain in full force and effect.

Section 6.5. **No Changes.** Except as expressly provided or modified in this First Amendment to Loan Agreement, the terms and provisions of the Original Loan Agreement shall remain unchanged and in full force and effect and are hereby affirmed, confirmed and ratified in all respects.

Section 6.6. **Updated Project Fund Requisition.** Exhibit B to the Original Loan Agreement is hereby amended and restated in its entirety to read as set forth in Exhibit C hereto.

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, the Authority and the Borrower have caused this First Amendment to Loan Agreement to be executed, and the Trustee has caused this First Amendment to Loan Agreement to be acknowledged, in their respective names as of the date first written above.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: __________________________
Name: Douglas Guthrie
Title: President and Chief Executive Officer
IN WITNESS WHEREOF, the Authority and the Borrower have caused this First Amendment to Loan Agreement to be executed, and the Trustee has caused this First Amendment to Loan Agreement to be acknowledged, in their respective names as of the date first written above.

HOUSING OPPORTUNITY CORPORATION

By: ____________________________
Name:  Tina Smith-Booth
Title:  President

[Borrower Signature Page to First Amendment to Loan Agreement]
Acknowledged and Accepted:

MUFG UNION BANK, N.A., as Trustee

By: _______________________________________
Name: Thaddeus Smith
Title: Vice President
EXHIBIT A

DESCRIPTION OF THE PROJECTS

**Bella Vista**  
Address: 12100 Sheldon Avenue, Los Angeles, California 91352

**Clemson Corbett**  
Address: 3443 and 3453 Carmona Street, 5602 - 5793 Clemson Street, and 5600 - 5792 Corbett Street, Los Angeles, California 90016

**Laveta Terrace**  
Address: 666 and 668 Laveta Terrace, Los Angeles, California 90026

**Union Tower**  
Address: 455 S. Union Avenue, Los Angeles, California 90017

**Tobias**  
Address: 8715 Tobias Avenue, Los Angeles, California 91402

**Martel**  
Address: 1643 N. Martel Avenue, Los Angeles, California 90046

**Parthenia**  
Address: 15230 Parthenia Street, Los Angeles, California 91343
EXHIBIT B

FORM OF MULTIFAMILY PROMISSORY NOTE

$[_______] [_______], 2021

FOR VALUE RECEIVED, the Borrower executing this Note, and its successors and assigns (the "Borrower"), promises to pay to the Housing Authority of the City of Los Angeles (together with its successors and assigns, the "Authority"), (1) the principal sum of $[_______] payable on [_______] 1, 20[__], or such earlier dates as required in the Indenture or the Loan Agreement (as defined below), and interest accrued on the unpaid portion thereof, from the date hereof at the rate for each day of accrual equal to the rates of interest borne by the bonds of the Authority designated as Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A (the "2021 Series A Bonds") at the time Outstanding (as defined in the Indenture) payable on the dates and computed as described in that certain Trust Indenture between MUFG Union Bank, N.A., as trustee (the "Trustee") and the Authority, as issuer, dated as of May 1, 2020 as amended by that First Supplemental Trust Indenture dated as of [January 1, 2021] (together, the "Indenture"), and the Loan Agreement, relating to principal and interest on the Bonds, and (2) all other amounts specified in the Indenture and Loan Agreement at the times described in the Indenture and Loan Agreement.

This Note and the payments required to be made hereunder have been irrevocably assigned, without recourse, to the Trustee under the Indenture and such payments will be made directly to the Trustee for the account of the Authority pursuant to such assignment. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Bonds are hereby incorporated as a part of this Note.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the Trustee. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a day other than a Business Day (as defined in the Indenture), then such payment may be made on the next succeeding day which is a Business Day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due.

This Note is executed and delivered by the Borrower pursuant to the Loan Agreement, dated as of May 1, 2020 as amended by that First Amendment to Loan Agreement dated as of [January 1, 2021] (together, the "Loan Agreement"), between the Authority and the Borrower relating to the 2021 Series A Bonds and other bonds of the Authority, to evidence a loan by the Authority to the Borrower thereunder from proceeds of the 2021 Series A Bonds. To the extent that any provision of this Note contradicts or is inconsistent with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall control and supersede the contradictory or inconsistent provision herein.
The Borrower shall prepay the outstanding principal sum hereof, as a whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as 2021 Series A Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture. Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

This Note is also secured by the Mortgages (as defined in the Indenture).

If an Event of Default or Default, as defined in the Indenture or the Loan Agreement, shall occur, the principal hereof and accrued interest hereon may, at the option of the holder hereof, be declared due and payable in the manner and with the effect provided in the Indenture or the Loan Agreement.

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the State of California.

[Signature Page to Follow]
HOUSING OPPORTUNITY CORPORATION

By: ______________________________
Name: Tina Smith-Booth
Title: President
ENDORSEMENT

FOR VALUE RECEIVED, the Housing Authority of the City of Los Angeles (together with its successors and assigns, the "Authority") hereby irrevocably assigns and transfers the foregoing Note, without recourse or warranty, to the order of MUFG Union Bank, N.A. (the "Trustee"), Los Angeles, California, trustee under a Trust Indenture, dated as of May 1, 2020, as amended, between the Authority and the Trustee. The Authority hereby directs the maker of the Note, to make all payments with respect to principal of, premium, if any, and interest on the Note and all other payments required thereby directly to the order of the Trustee for the account of the Authority at the Trustee’s corporate trust office in Los Angeles, California or such other place as the Trustee, or its successor in trust, may designate in writing.

Dated and executed on [_______], 2021.

HOUSING AUTHORITY OF THE CITY
OF LOS ANGELES

By: ____________________________

Name: Douglas Guthrie
Title: President and Chief Executive Officer
ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned hereby acknowledges and agrees to the aforesaid assignment of the Note by the Housing Authority of the City of Los Angeles to MUFG Union Bank, N.A., as trustee.

Dated this [____] day of [________], 2021.

[Signatures to Follow]
HOUSING OPPORTUNITY CORPORATION

By: ________________________________
Name: Tina Smith-Booth
Title: President
EXHIBIT C

FORM OF PROJECT FUND REQUISITION

Requisition No. ____________ Date: ______________

Requisition from the [__________ Project Account of the] Project Fund

To: MUFG Union Bank, N.A., as Trustee (the “Trustee”) under the Trust Indenture dated as of May 1, 2020 between the Housing Authority of the City of Los Angeles and the Trustee, as amended and supplemented (the “Indenture”)

Attention: Trust Department

The undersigned Borrower Representative designated pursuant to the terms of the aforesaid Indenture and a Loan Agreement of even date therewith (the “Agreement”) relating to the Bonds identified above by and among the borrower listed in the Loan Agreement (the “Borrower”), the Trustee and the Housing Authority of the City of Los Angeles hereby requests that there be paid from the Project Fund the sum set forth below, and in connection therewith, I HEREBY CERTIFY, as follows:

An obligation in each of the amounts set forth below has been incurred in connection with the acquisition, renovation, furnishing and equipping of the [Project], constitutes a Cost of the Projects, and such obligation or amount represents a cost of the [Project]. Such payments shall be made by check or wire transfer in accordance with the payment instructions set forth herein and the Trustee shall rely on such payment instructions with no duty to investigate or inquire as to the authenticity of the payment instructions contained herein or the authority under which they were given.

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Total

The Borrower hereby certifies that:

(1) the Projects are free and clear of all liens and encumbrances except Permitted Encumbrances;

(2) all evidence, statements, and other writings required to be furnished under the terms of the Loan Agreement and the Indenture are true and omit no material fact, the omission of which may make them misleading;

(3) all money previously disbursed has been used solely to pay for Costs of the Projects, and the Borrower have written evidence to support this item of warranty;

4846-8570-0049.5
(4) none of the items for which payment is requested have formed the basis for any payment previously made from the Project Fund; and

(5) all bills for labor, materials, and fixtures used, or on hand and to be used, in the construction of the Projects have been paid.
Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

HOUSING OPPORTUNITY CORPORATION

By: ____________________________
Name: __________________________
Title: __________________________

[Signature Page to Project Fund Requisition]
EXHIBIT B
Form of Bond Purchase Agreement
BOND PURCHASE AGREEMENT

Relating to:

$11,500,000
Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 3rd Floor
Los Angeles, CA 90057
Attention: Chief Administrative Officer

Housing Opportunity Corporation
C/o Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 4th Floor
Los Angeles, CA 90057
Attention: President

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the “Underwriter”), offers to enter into this Bond Purchase Agreement (the “Bond Purchase Agreement”) with the Housing Authority of the City of Los Angeles (together with its successors and assigns, the “Authority”) and (i) Housing Opportunity Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Borrower”), which will become binding upon the Authority, the Borrower and the Underwriter upon the Authority’s and the Borrower’s acceptance, evidenced by execution of this Bond Purchase Agreement. Capitalized terms used herein and not defined shall have the meaning assigned to such terms in the hereinafter defined Loan Agreement and Indenture.

SECTION 1. PURCHASE AND SALE OF BONDS.

a) Upon the terms and conditions and upon the basis of the representations, warranties, and covenants contained in this Bond Purchase Agreement, the Underwriter hereby agrees to purchase from the Authority for offering to the public and the Authority hereby agrees to sell to the Underwriter for such purpose all (but not less than all) of its $11,500,000 Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A (the “Bonds”) at the prices expressed as a percentage of the aggregate principal amount of such bonds shown on Exhibit A hereto.

b) Payment of the purchase price for the Bonds shall be made by wire or check in immediately available funds payable to the order of MUFG Union Bank, N.A., as trustee (the “Trustee”) for the account of the Authority at the offices of the Trustee in Los Angeles, California, on January ___, 2021 (the “Closing”), or such other place, time, or date as shall be mutually agreed upon by the Authority, the Borrower, and the Underwriter, against delivery of the Bonds to the Underwriter or the persons designated by the Underwriter. The date and time of such delivery and payment is herein called the “Closing.” The delivery of the Bonds shall be made in either temporary or in definitive form (provided neither the printing of a wrong CUSIP number on any Bond nor the failure to print a CUSIP number thereon shall constitute cause to refuse delivery of any Bond) and registered in the name(s) of such owner(s) as the Underwriter shall designate to the Trustee, at least forty-eight (48) hours prior to the Closing. At the Closing, the Bonds shall
be delivered to the Trustee on behalf of The Depository Trust Company ("DTC") under the DTC Fast System of Registration as designated by the Underwriter.

c) The Underwriter, in its discretion, may permit other securities dealers who are members of the Financial Industry Regulatory Authority ("FINRA") to assist in selling the Bonds, and the Underwriter agrees to pay or reallow such securities dealers a fee or selling commission to be paid from the underwriting fee provided in Section 8 of this Bond Purchase Agreement. The Underwriter agrees that it will exercise its best efforts not to sell the Bonds in a manner which will jeopardize the tax-exempt status of the interest on the Bonds and, in connection with this Bond Purchase Agreement, agrees that it will exercise its best efforts not to sell Bonds to an "underwriter" or "dealer" for a price lower than 100% of the aggregate principal amount of Bonds being sold plus accrued interest from the date of the Bonds to the date of payment and delivery. The Underwriter agrees to exercise its best efforts to determine whether purchasers of the Bonds are "Underwriters" or "dealers."

d) The Bonds shall be issued under and secured as provided in the Trust Indenture dated as of May 1, 2020, between the Authority and the Trustee, as amended and supplemented by the First Supplemental Trust Indenture dated as of January 1, 2021, between the Authority and the Trustee (collectively, the "Indenture") and the Bonds shall have the maturities and interest rates, be subject to redemption, and shall be otherwise as described and as set forth in Exhibit A hereto and the Indenture.

SECTION 2. DESCRIPTION OF FINANCING.

As permitted by the applicable provisions of California law, particularly the Housing Authorities Law, consisting of Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (the "Act"), the Authority is authorized to issue bonds and to loan the proceeds thereof for the purposes set forth in the Act. Pursuant to a resolution duly adopted by the Authority on December 17, 2020, at a meeting duly called and held and with a quorum present (the "Bond Resolution"), the Authority has authorized the issuance and delivery of the Bonds and the loan of the proceeds thereof to the Borrower. The Bonds will be issued under and secured by the Indenture. Notwithstanding the foregoing, each of the Borrower and the Underwriter acknowledges that the Bonds and the pecuniary obligations of the Authority under this Bond Purchase Agreement are subject to the following limitations:

The Bonds are being issued for the purposes of financing a portion of the costs of acquisition, construction, development, rehabilitation, refinancing, furnishing or equipping of four multifamily rental housing projects known as Martel and Parthenia, both located in Los Angeles, California (each a “Project” and collectively, the “Projects”).

The Bonds are being issued pursuant to the Indenture, the Act and the Bond Resolution. The Authority will loan the proceeds of the Bonds to the Borrower pursuant to a Loan Agreement dated as of May 1, 2020 between the Authority and the Borrower, as amended and supplemented by the First Amendment to Loan Agreement dated as of January 1, 2021 between the Authority and the Borrower (collectively, the “Loan Agreement”). The Borrower’s obligations to repay the loan of the proceeds of the Bonds (the “Loan”) will be evidenced by a promissory note (the “Note”) issued by the Borrower under the Loan Agreement. The Borrower’s obligations under the Note and the Loan Agreement will be secured by deeds of trust (collectively, the “Mortgages” and each a “Mortgage”), recorded against each of the Projects and dated as of the Closing, from the Borrower in favor of the Trustee.

Rents on certain of the units of the Projects (collectively, the “Section 8 Units”) are subsidized under a Housing Assistance Payments Renewal Contract (Multi-year Term) (each a “HAP Contract” and collectively, the “HAP Contracts”). Upon the issuance of the Bonds, the Authority will assign the respective HAP Contract to the Borrower. Pursuant to an Assignment of Housing Assistance Payments Contract and Payments (the “HAP Assignment”) the Borrower will irrevocably pledge and assign to the Trustee certain rights and interests under the HAP Contracts.

SECTION 3. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT AND OFFERING OF BONDS.

a) The Authority consents to, and the Borrower hereby authorizes and ratifies the distribution by the Underwriter of the Preliminary Official Statement dated January ___, 2021, and the Official Statement dated January ___, 2021 (collectively, the “Official Statement”), relating to the Bonds. The Preliminary Official Statement has been “deemed final” as of its date by the Borrower for purposes of Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “1934 Act”), except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12. The information contained under the headings “THE AUTHORITY” and “LITIGATION – The Authority” in the Preliminary Official Statement (collectively, the “Authority Portion”) has been “deemed final” as of its date by the Authority for purposes of Rule 15c2-12, except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12, if any. The Bonds will be offered for sale by the Underwriter pursuant to a definitive Official Statement.

b) The Underwriter acknowledges that the Authority has not participated in the preparation of the Official Statement and has made no independent investigation and has furnished no information contained in the Official Statement, except the information contained in the Authority Portion, and that except for the Authority Portion, the Authority assumes no responsibility with respect to the sufficiency, accuracy, or completeness of any of the information contained in the Official Statement or any other document used in connection with the offer and sale of the Bonds.

c) The Borrower shall deliver, or cause to be delivered, to the Underwriter copies of the Official Statement in sufficient quantity in order for the Underwriter to comply with Rule 15c2-12(b)(2) promulgated by the Commission under the 1934 Act.

d) The Borrower shall deliver, or cause to be delivered, to the Underwriter copies of the Official Statement in sufficient quantity, in the Underwriter’s opinion, to accompany any confirmation that requests
payment from any customer and to comply with rules of the Commission and the Municipal Securities Rulemaking Board ("MSRB").

e) To the extent required by rules of the Commission or MSRB, the Authority consents to the Underwriter’s delivery of the Official Statement to a nationally recognized municipal securities information repository, the Borrower hereby authorizes the Underwriter to deliver the Official Statement to a nationally recognized municipal securities information repository and the Underwriter agrees to make such delivery.

f) The Authority and the Borrower will not amend or supplement the Official Statement without the consent of the Underwriter, which consent will not be unreasonably withheld. From the date hereof until the earlier of (i) ninety (90) days from the end of the Underwriting Period (as defined in Rule 15c2-12) or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five (25) days following the end of the underwriting period (as defined in Rule 15c2-12), if any event occurs as a result of which the Authority or the Borrower believe it may be necessary to amend or supplement the Official Statement in order to correct any untrue statement of a material fact contained in the Official Statement or to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority and the Borrower will notify the Underwriter in writing of such event and, if such event requires, in the opinion of the counsel to the Underwriter, an amendment or supplement to the Official Statement, at the Borrower’s expense the Authority and the Borrower will amend or supplement the Official Statement in a form and in a manner jointly approved by the Authority, the Borrower and the Underwriter, which approval will not be unreasonably withheld, so the Official Statement, as so amended or supplemented, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading. Unless otherwise notified in writing by the Underwriter on or before the Closing, the Authority and the Borrower may assume that the end of the Underwriting Period for purposes of Rule 15c2-12 shall be the Closing. If such notice is so given in writing by the Underwriter, the Underwriter agrees to notify the Authority and the Borrower in writing following the occurrence of the end of the Underwriting Period as defined in Rule 15c2-12. The end of the Underwriting Period as used in this Bond Purchase Agreement shall mean the Closing or such later date as to which notice is given by the Underwriter in accordance with the preceding two sentences.

g) The Underwriter intends to make a bona fide public offering of all of the Bonds at the offering prices (or yields) set forth on the inside cover of the Official Statement, it being understood and agreed that after the initial offering the Underwriter reserves the right change such public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds.

h) The Authority and the Borrower each individually agrees that it will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter shall designate; provided, however, the Authority shall not be required to register as a dealer or broker in any such jurisdiction, nor execute a general consent to service of process or qualify to do business in connection with any such qualification of the Bonds in any such jurisdiction. The Borrower will reimburse the Authority or cause it to be reimbursed for its out-of-pocket expenses, including attorneys’ fees, in connection therewith.

SECTION 4. CONTINUING DISCLOSURE

The Borrower and the Housing Authority of the City of Los Angeles, in its capacity as the Dissemination Agent, will execute and deliver a Continuing Disclosure Agreement, dated as of January 1, 2021 (the “Continuing Disclosure Agreement”), in order to comply with the requirements for the dissemination of certain annual financial information and operating data, including audited financial statements, and notices required by Rule 15c2-12.
SECTION 5. REPRESENTATIONS OF THE AUTHORITY

By the Authority's acceptance hereof it hereby represents to, and covenants and agrees with, the Underwriter and the Borrower (and it shall be a condition of the obligation of the Underwriter to purchase and accept delivery of the Bonds at the Closing (as hereinafter defined) that the Authority shall so represent as of the date of the Closing) that:

(a) The Authority is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provisions of the Act; and has full power and authority under the Act to adopt the Bond Resolution approving the issuance of the Bonds, to enter into and to perform its obligations under this Bond Purchase Agreement, the Bonds, the Tax Agreement, the Indenture, the HAP Assignment and the Loan Agreement (collectively, the "Authority Documents"); and when executed and delivered by the respective parties thereto, the Authority Documents will constitute the legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against joint powers commissions or governmental units of the State.

(b) By official action of the Authority prior to or concurrently herewith, the Authority has authorized and approved the issuance and sale of the Bonds and the execution and delivery of the Authority Documents to which it is a party and the consummation by the Authority of the transactions contemplated thereby.

(c) To the knowledge of the Authority, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Authority seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Authority taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Authority Documents or contesting in any way the existence or powers of the Authority relating to the authorization, issuance and sale of the Bonds.

(d) The execution and delivery by the Authority of the Authority Documents and compliance with the provisions on the Authority's part contained therein will not (i) conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor (ii) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Authority Documents.

(e) Any certificate signed by any of its authorized officers and delivered to the Underwriter shall be deemed a representation by the Authority to the Underwriter as to the statements made therein.

(f) The Authority acknowledges receipt of written disclosure from the Underwriter in accordance with Municipal Securities Rulemaking Board Rule G-17, relating to the duty of fair dealing owed by the Underwriter to both the Authority and purchasers of the Bonds. The disclosure included, but was not limited to, the Underwriter's role in the transaction, potential conflicts of interest due to the Underwriter's role in the issuance of the Bonds and the compensation structure of the Underwriter.
SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE BORROWER.

By the Borrower’s acceptance hereof, the Borrower hereby represents and warrants to, and covenants and agrees with, the Underwriter and the Authority (and it shall be a condition of the obligation of the Underwriter to purchase and accept delivery of the Bonds at the Closing (as hereinafter defined) that the Borrower shall so represent and warrant as of the date of the Closing) that:

a) The Borrower has been organized and validly exists as a nonprofit public benefit corporation duly organized and existing under the laws of the State. The Borrower has full power and authority to enter into and execute, deliver, and perform this Bond Purchase Agreement, the Loan Agreement, the Mortgage to which it is a party, the Note, the Tax Agreement, the Continuing Disclosure Agreement, the HAP Assignment and the other transaction documents relating to the Bonds to which it is a party (collectively, the “Borrower Documents”), and to own its properties and conduct its business, all as described in the Official Statement and as contemplated in the Borrower Documents. The Borrower has reviewed and approved the form of the Indenture and agrees to be bound by its terms to the extent such terms are enforceable against the Borrower. The Borrower is conducting its business in compliance with all applicable and valid laws, rules, and regulations of (i) the state whose laws pursuant to which it was organized, and (ii) the state in which the Project it owns is located.

b) The Borrower has duly authorized by all necessary action the execution, delivery, and performance of the Borrower Documents, the consent to the distribution by the Underwriter of the Official Statement, and the execution and delivery of the Official Statement. No approval, authorization, consent, or other action by any governmental body (other than the Authority and other than consents and approvals (i) that already have been obtained or will be obtained at or prior to the Closing, (ii) are required under federal or state securities laws or (iii) are required under State law in connection with the issuance by the Authority of the Bonds) is required in connection with the execution or performance by the Borrower of the Borrower Documents, and neither the execution nor the performance of the Borrower Documents will conflict with, breach, or violate the organizing documents of the Borrower or any indenture, mortgage, deed of trust, lease, note, judgment, decree, order, lien, statute, resolution, rule, regulation, plan, agreement, or other instrument or restriction to which the Borrower is a party or by which it or its property may be subject or bound; provided, however, that the Borrower makes no representation or warranty with respect to compliance with applicable federal or state securities laws in connection with the issuance of the Bonds. The Borrower Documents, when executed by the other parties thereto at or before the Closing (as hereinafter defined), will have been duly and validly executed and delivered by the Borrower, will be in full force and effect as to the Borrower, and will constitute the legal, valid, binding, and enforceable obligations of the Borrower, enforceable in accordance with their terms, except as limited by applicable bankruptcy, reorganization, insolvency, or other similar laws affecting the enforcement of creditor’s rights generally and by general principles of equity affecting remedies.

c) The Borrower is not in violation of any material provision of or in default under any indenture, mortgage, deed of trust, lease, indebtedness, agreement, instrument, lien, judgment, decree, order, statute, ordinance, rule, regulation, plan, or other restriction to which it is a party or by which it or its property is subject or bound, which violation would have any material adverse effect on the financing contemplated by the Official Statement, nor would any such violation result in any material adverse effect upon the operations, properties, assets, liabilities, or condition (financial or other) of the Borrower.

d) There is no pending or, to the best of the Borrower’s knowledge, threatened action, suit, proceeding, inquiry, or investigation, before or by any court, public board, or body, nor, to the best knowledge of the Borrower, is there any basis therefor, which would adversely affect the transactions contemplated by the Official Statement, or which would adversely affect the Bonds, the Borrower Documents, the Indenture or the financing or operation of the Project it owns or which might result in any
material adverse change in the operations, properties, assets, liabilities, or condition (financial or other) of the Borrower, or which affects the information contained in the Official Statement.

e) To the best of the knowledge of the Borrower, no legislation, resolution, rule, or regulation have been enacted by any governmental body, department, or agency of any state or local governmental authority or the United States of America, nor has any decision been rendered by any court of competent jurisdiction in any state or locale or the United States of America, which would adversely affect the transactions contemplated by the Official Statement.

f) The representations of the Borrower contained in this Bond Purchase Agreement and any certificate, document, written statement, or other instrument furnished by or on behalf of the Borrower to the Authority or Underwriter in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Borrower has not disclosed to the Authority or Underwriter in writing that adversely affects or in the future may (so far as the Borrower can now reasonably foresee) adversely affect the operation of the Project owned by such Borrower or the properties, business, operations, prospects, profits, or condition (financial or otherwise) of the Borrower or the ability of the Borrower to perform its obligations under the Borrower Documents, or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Borrower prior to the date of delivery of the Official Statement in connection with the transactions contemplated hereby.

g) The contents of the Official Statement are and at the end of the Underwriting Period (as defined in Section 3(f) hereof) will be complete, accurate, true, and correct in all material respects and do not or will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein made, in light of the circumstances under which they were made, not misleading. Nothing has come to the attention of the Borrower which leads it to believe that any portions of the Official Statement contain or will contain any untrue statement of a material fact or omit or will omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

h) The Borrower agrees to not perform any acts or enter into any agreement which shall adversely affect its federal income tax status nor shall the Borrower carry on or permit to be carried on at the Project owned by the Borrower or permit such Project to be used in or for any trade or business or by any person if such activity would generate unrelated trade or business income that would adversely affect the federal income tax status of interest on the Bonds.

i) Any certificate signed by any of its authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the Borrower to the Underwriter as to the statements made therein.

j) All licenses, consents, permits, approvals or authorizations, of any federal, state or local governmental issuer required on the part of the Borrower to be obtained in connection with execution and delivery of the Borrower Documents, and the performance by the Borrower of its obligations thereunder and hereunder and the Borrower's consummation of the transactions contemplated thereby and by the Official Statement, have been duly obtained. The Borrower has complied, or by the date of Closing will have complied, with all applicable provisions of law requiring any designation, declaration, filing, registration or qualification with any governmental issuer in connection therewith, other than as may be required by state or federal securities laws.

k) It acknowledges and agrees that these representations and warranties are made to induce the Underwriter to purchase the Bonds, and that such representations and warranties and any other
representations and warranties made by the Borrower to the Underwriter in writing are made for the benefit of the ultimate purchasers of Bonds and may be relied upon by said purchasers.

l) It acknowledges and agrees that the Authority will not be a signatory to the Preliminary Official Statement or the Official Statement and will not undertake any continuing disclosure obligations except as Dissemination Agent as set forth in the Continuing Disclosure Agreement, as all continuing disclosure obligations are the responsibility of the Borrower.

SECTION 7. INDEMNIFICATION.

a) The Borrower hereby agrees to indemnify and hold harmless the Authority and Underwriter, together with each officer, employee, agent and member of the governing body of the Authority (including each Authority Indemnified Person, as defined in the Indenture) and the Underwriter and each person who controls the Authority or Underwriter within the meaning of either the Securities Act of 1933, as amended (the "1933 Act"), or the 1934 Act from and against any and all losses, claims, damages, liabilities, costs, and expenses (including, without limitation, fees and disbursements of counsel and other expenses incurred by them or any of them in connection with investigating or defending any loss, claim, damage, or liability or any suit, action, or proceeding, whether or not resulting in liability), joint or several, to which they or any of them may become subject under the 1933 Act, the 1934 Act, or any other applicable statute or regulation, whether federal or state, or at common law or otherwise, in so far as such losses, claims, damages, liabilities, costs, and expenses (or any suit, action, or proceeding in respect thereof) arise out of or are based upon any untrue or misleading statement or alleged untrue or misleading statement of a material fact contained in the Official Statement or in any amendment or supplement to any of the foregoing, or arise out of or are based upon the omission or alleged omission to state therein a fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, provided, however, the Borrower will not be liable in any such case to the Underwriter to the extent that any such loss, claim, damage, liability, cost, or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished by the Underwriter or the Authority specifically for use in connection with the preparation thereof. This indemnity agreement will be in addition to any liability that the Borrower may otherwise have.

b) The Underwriter shall indemnify and hold harmless the Authority and the Borrower, each of their respective members, trustees, officers and employees (including each Authority Indemnified Person), and each person who controls the Authority or the Borrower within the meaning of Section 15 of the Securities Act, to the same extent as the foregoing indemnity from the Borrower to the Underwriter, but only with reference to written information relating to the Underwriter furnished by it specifically for inclusion in the Official Statement. This indemnity agreement will be in addition to any liability that the Underwriter may otherwise have. The Borrower acknowledges that the statements set forth under the heading "UNDERWRITING," in the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Official Statement. The Underwriter shall also reimburse the Authority for any legal or other expenses incurred by the Authority in connection with investigating any claim against it and defending any action alleging noncompliance with Blue Sky laws with respect to the Bonds.

c) Promptly after receipt by any party entitled to indemnification under this section of notice of the commencement of any suit, action, or proceeding, such indemnified party shall, if a claim in respect thereof is to be made against the Borrower or the Underwriter under this section, notify the Borrower or the Underwriter, in writing, as the case may be, of the commencement thereof, but the omission so to notify the Borrower or Underwriter shall not relieve such party from any liability which it may have to any indemnified party otherwise than under this section or from any liability under this section. In case any such action is
brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall be entitled, but not obligated, to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party, promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party, and the indemnnied party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnnied party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties at the sole cost and expense at the indemnifying party. Upon such indemnified party’s receipt of notice from the indemnifying party of the indemnifying party’s election to so assume the defense of such action and approval by the indemnified party of counsel, which approval shall not be unreasonably withheld, the indemnifying party shall not be liable to such indemnified party under this section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel representing the indemnnied parties under this section who are parties to such action), (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnnied party to represent the indemnnied party within a reasonable time after the indemnnifying party’s receipt of notice of commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnnied party at the expense of the indemnnifying party pursuant to the provisions hereof; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

d) An indemnifying party shall not be liable for any settlement of any such action effected without its consent, which consent shall not be unreasonably withheld but if settled with the consent of the indemnnifying party, the indemnnifying party agrees to indemnify and hold the indemnnied party or parties, including an officer, employee, agent, member or director, or other controlling person of an indemnnied party harmless from and against any loss or liability, including reasonable legal and other expenses incurred in connection with the defense of the action, by reason of such settlement to the extent of the indemnnification provided for in this section.

e) In the event and to the extent that any indemnnied party is entitled to indemnnification from an indemnnifying party under the terms of paragraph (a) or paragraph (b) above in respect of any of the losses, claims, damages, liabilities, costs, or expenses referred to therein, but such indemnnification is unavailable to such indemnnied party in respect of any such losses, claims, damages, liabilities, costs, or expenses due to such indemnnification being impermissible under applicable law or otherwise, then the indemnnifying party shall, in lieu of indemnnifying such indemnnied party, contribute to the amount paid or payable by such indemnnied party as a result of such losses, claims, damages, liabilities, costs, or expenses in such proportion as is appropriate to reflect the relative benefits received by the indemnnifying party and such indemnnied party, respectively, from the offering of the Bonds, the relative fault of the indemnnifying party and such indemnnied party, respectively, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities, costs, or expenses, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact related to information supplied by the indemnnified party or the indemnnifying party and the relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission of the indemnnifying party or the indemnnied party. The Borrower and Underwriter, respectively, agree that it would not be just and equitable if contribution pursuant to this paragraph (e) were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to above in this paragraph (e). The amount paid or payable by any
indemnified party as a result of the losses, claims, damages, liabilities, costs, or expenses referred to above in this paragraph (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with defending any such action or claim. This paragraph (e) shall not apply in the event of losses, claims, damages, liabilities, costs, or expenses caused by or attributable to the willful misconduct or gross negligence of an indemnified party other than the Authority and the Authority Indemnified Persons, or the willful misconduct of the Authority or the Authority Indemnified Persons. Notwithstanding, anything to the contrary contained in this paragraph (e), it is understood and agreed that this paragraph (e) is not intended, and shall not be construed, to expand, broaden, or increase in any way, whether in terms of scope, amount, or otherwise, the liability of the Borrower or the Underwriter in respect of any of the losses, claims, damages, liabilities, costs, or expenses referred to in paragraph (a) or paragraph (b) or otherwise, as that liability is set forth in paragraph (a) or paragraph (b) above. Additionally, notwithstanding anything to the contrary contained in this Section 7, it is understood and agreed that nothing in this Section or elsewhere in this Bond Purchase Agreement shall be deemed or construed as a modification of or limitation on the rights of the Authority and the Authority Indemnified Persons to indemnification from the Borrower under the indemnification provisions of the Loan Agreement, which rights shall be considered to be in addition to (but without duplication of) the Authority's and the Authority Indemnified Persons' rights under this Section 7, AND THAT THE RELEASE AND INDEMNIFICATION OF THE AUTHORITY AND THE AUTHORITY INDEMNIFIED PERSONS PROVIDED FOR IN SECTION 6.4 OF THE LOAN AGREEMENT SHALL APPLY TO THIS BOND PURCHASE AGREEMENT AS IF FULLY SET FORTH HEREBIN; THE BORROWER FURTHER ACKNOWLEDGES THAT SECTION 6.4 OF THE LOAN AGREEMENT PROVIDES THAT THE BORROWER SHALL RELEASE AND INDEMNIFY THE AUTHORITY AND THE AUTHORITY INDEMNIFIED PERSONS AGAINST THE BORROWER'S OR THE AUTHORITY'S OR THE AUTHORITY INDEMNIFIED PERSONS' OWN NEGLIGENCE OF ANY KIND, DEGREE OR DESCRIPTION.

The indemnified parties identified in this Section (other than the Authority and the Underwriter) shall be considered to be intended third-party beneficiaries of this Bond Purchase Agreement for purposes of indemnification and exculpation from liability, the provisions of which shall be IN ADDITION TO all liability that the Borrower may otherwise have and shall survive any termination of this Bond Purchase Agreement, the offering and sale of the Bonds, and the payment or provision for payment of the Bonds.

No person guilty of fraudulent misrepresentation (within Section 10(b) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such misrepresentation.

SECTION 8. UNDERWRITING FEE AND COSTS.

a) In consideration of the Underwriter's execution of this Bond Purchase Agreement, and for the performance of the Underwriter's obligations hereunder, the Borrower agrees to pay or cause to be paid to the Underwriter in immediately available funds a total underwriting fee in the amount of $_______, inclusive of $_______ for certain fees and expenses, which shall be due and payable at the Closing. The Underwriter's fee includes the fee of the Underwriter's counsel. The Underwriter is authorized but is not required to deduct its underwriting fees from the proceeds of the Bonds as the Underwriter's discount.

b) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price certificate" or similar certificate, together with the supporting wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.
Except as set forth in Schedule A to Exhibit B attached hereto, the Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. Unless the hold the offering price rule (described below) applies, that reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price (the "initial offering price"), or at the corresponding yield, set forth in Schedule A to Exhibit B attached hereto, except as otherwise set forth therein. Schedule A to Exhibit B also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Authority when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this Section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (a) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (b) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (c) more than 50% common ownership of the value of
the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

c) Except as otherwise provided herein, whether or not the Bonds are sold by the Authority, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Authority’s or the Borrower’s obligations hereunder. All costs incurred in connection with the issuance or attempted issuance of the Bonds and all expenses and costs to effect the authorization, preparation, issuance, delivery, and sale of the Bonds (including, without limitation, attorneys’ fees and expenses, including the Authority’s counsel, bond counsel, Underwriter’s counsel, the Borrower’s counsel, accountants’ fees and expenses, financial advisor’s fees, trustee’s fees, trustee’s counsel, title insurance and the expenses and costs for the preparation, printing, photocopying, execution, and delivery of the Bonds, the Bond Documents, and all other agreements and documents contemplated hereby) shall be paid by the Borrower.

SECTION 9. CONDITIONS TO THE UNDERWRITER’S OBLIGATIONS.

The Underwriter’s obligations hereunder shall be subject to the due performance in all material respects by the Borrower and the Authority of these obligations and agreements to be performed hereunder at or prior to the Closing and to the accuracy of and compliance with in all material respects the Borrower’s representations and warranties and the Authority’s representations contained herein, as of the date hereof and as of the Closing, and are also subject to receipt of the following evidence and documents and satisfaction of the following conditions, as appropriate, at or prior to the Closing:

a) The Bonds, the Indenture, the Note, the Tax Agreement, the HAP Assignments, the Mortgages and the Loan Agreement shall have been duly authorized, executed, and delivered by the respective parties thereto in the forms heretofore approved by the Underwriter with only such changes therein as shall be mutually agreed upon by the parties thereto and the Underwriter, and shall be in full force and effect on the date of the Closing.

b) At or before the Closing, the Underwriter shall receive:

(1) Copies of the original counterparts of this Bond Purchase Agreement, the Authority Documents and the Borrower Documents.

(2) The following opinions, dated the date of the Closing:

(i) a bond counsel opinion of Kutak Rock LLP, Bond Counsel, attached as Appendix B to the Official Statement, together with a reliance letter addressed to the Trustee to the effect that the Trustee may rely on such opinion of Bond Counsel;

(ii) a supplemental opinion of Kutak Rock LLP, Bond Counsel, in form and substance satisfactory to the Underwriter;

(iii) an opinion of the In-House Legal Counsel to the Housing Authority of the City of Los Angeles, in the form and substance satisfactory to the Underwriter, the Trustee and Bond Counsel; and

(iv) an opinion of Tiber Hudson LLC, Underwriter’s Counsel, in form and substance satisfactory to the Underwriter.
(3) The Authority's 15c2-12 Certificate, substantially in the form attached hereto as Exhibit C, duly executed by the Authority.

(4) The Borrower's 15c2-12 Certificate, substantially in the form attached hereto as Exhibit D, duly executed by the Borrower.

(5) A closing certificate of the Authority, satisfactory in form and substance to the Underwriter, executed by an Authority Representative, dated as of the date of the Closing.

(6) A closing certificate of the Borrower, satisfactory in form and substance to the Underwriter and Bond Counsel, executed by authorized representatives of the Borrower, attested by any duly authorized officer of the Borrower satisfactory to the Underwriter, dated as of the date of the Closing, to the effect that with respect to the Borrower: (i) since the date hereof there has not been any material adverse change in the business, properties, financial position, or results of operations of any Borrower, whether or not arising from transactions in the ordinary course of business, other than as previously disclosed in writing to the Underwriter, and except in the ordinary course of business, nor has any Borrower suffered or incurred any material liability, other than as previously disclosed in writing to the Underwriter, (ii) there is no action, suit, proceeding, or, to the best of the Borrower's knowledge, any inquiry or investigation at law or in equity or before or by any public body or body pending or, to its knowledge, threatened against or affecting the Borrower or any affiliate or its property or, to its knowledge after making due inquiry with respect thereto, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or the validity or enforceability of the Bonds, the Indenture, or the Borrower Documents which have not been previously disclosed in writing to the Underwriter and which is not disclosed in the Official Statement, (iii) to its knowledge, all information furnished to the Underwriter for use in connection with the marketing of the Bonds and the information contained in the Preliminary Official Statement and all of the information contained in the Official Statement was, as of the respective dates thereof and are as of the date hereof true in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, (iv) the Borrower has duly authorized, by all necessary actions, the execution, delivery, receipt, and due performance of the Borrower Documents, (v) the Borrower has duly performed or complied with all of their obligations and conditions to be performed and satisfied hereunder at or prior to the Closing, and (vi) the representations contained herein have not been amended, modified, or rescinded and are in full force and effect, and the information and representations and warranties contained herein are true and correct, as of the Closing.

(7) A copy of a mortgagee title insurance policy (extended coverage) insuring the first lien priority of the Mortgages, subject only to Permitted Encumbrances, in an amount not less than the aggregate principal amount of the Bonds.

(8) Written evidence satisfactory to the Underwriter that S&P Global Ratings (the "Rating Agency") has issued a rating of "___" for the Bonds and such rating shall be in effect on the Closing Date.

(9) Such additional certificates and other documents, instruments, agreements, and opinions as the Underwriter and Bond Counsel may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.
All opinions shall be addressed to the Underwriter and may also be addressed to such other parties as the giver of such opinion agrees to. All certificates, if addressed to any party, shall also be addressed to the Underwriter.

All such opinions, letters, certificates, and documents shall be in compliance with the provisions hereof only if they are in all material respects satisfactory to the Underwriter and to counsel to the Underwriter, as to which both the Underwriter and their counsel shall act reasonably. If any condition of the Underwriter’s obligations hereunder to be satisfied prior to the Closing is not so satisfied, this Bond Purchase Agreement may be terminated by the Underwriter by notice in writing to the Borrower and the Authority. The Underwriter may waive compliance by the Borrower (with the prior written consent of the Authority which consent shall not be unreasonably conditioned, withheld or delayed) or the Authority of any one or more of such conditions or extend the time for their performance and such waiver shall be evidenced by the Underwriter’s payment for the Bonds.

SECTION 10. THE UNDERWRITER’S RIGHT TO CANCEL.

The Underwriter shall have the right to cancel its obligations hereunder by notifying the Authority and the Borrower in writing or by telegram of its election so to do between the date hereof and the Closing, if at any time hereafter and on or prior to the Closing:

a) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation, or a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in, or be passed by, the House of Representatives or the Senate, or recommended to the Congress of the United States of America for passage by the President of the United States of America, or be enacted by the Congress of the United States of America, or an announcement or a proposal for any such legislation shall be made by a member of the House of Representatives or the Senate of the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States of America or the Tax Court of the United States of America shall be rendered, or a ruling, regulation, or order of the Treasury Department of the United States of America or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in or proposes the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the Borrower or any of its and their respective affiliates, state and local governmental units or by any similar body or upon interest received on obligations of the general character of the Bonds which, in the Underwriter’s opinion, materially and adversely affects the market price of the Bonds.

b) Any legislation, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department, or agency of the United States or of any state, or a decision by any court of competent jurisdiction within the United States or any state shall be rendered which, in the Underwriter’s reasonable opinion, materially adversely affects the market price of the Bonds.

c) A stop order, ruling, regulation, or Official Statement by, or on behalf of, the Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Bonds, or the issuance, offering, or sale of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provisions of the federal securities laws, including without limitation the registration provisions of the 1933 Act, or the registration provisions of the 1934 Act, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect (the “1939 Act”).
d) Legislation shall be introduced by amendment or otherwise in, or be enacted by, the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered to the effect that obligations of the general character of the Bonds including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act, or that the Indenture is not exempt from qualification under or from other requirements of the 1939 Act, or with the purpose or effect of otherwise prohibiting the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement.

e) Any event, condition or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement or is not reflected in the Official Statement but should be reflected therein, in the light of the circumstances under which they were made, not misleading.

f) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange.

g) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or a change to the net capital requirements of, the Underwriter.

h) A general banking moratorium or suspension or limitation of banking services shall have been established by federal or State authorities.

i) A default has occurred with respect to the obligations of, or proceedings have been instituted under the federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city or state.

j) Any proceeding shall be pending, or to the knowledge of the Underwriter, threatened, to restrain, enjoin, or otherwise prohibit the issuance, sale, or delivery of the Bonds by the Authority or the purchase, offering, sale, or distribution of the Bonds by the Underwriter, or for any investigatory or other proceedings under any federal or state securities laws or the rules and regulations of FINRA relating to the issuance, sale, or delivery of the Bonds by the Authority or the purchase, offering, sale, or distribution of the Bonds by the Underwriter.

k) A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have escalated, or acts of terrorism shall have been committed against the citizens or the government of the United States of America or the property of either, or any other national emergency relating to the effective operation of government or the financial community, or escalation thereof, shall have occurred, which, in the Underwriter’s reasonable opinion, materially adversely affects the market price of the Bonds.

SECTION 11. CONDITIONS OF THE BORROWER’S AND AUTHORITY’S OBLIGATIONS.

The Borrower’s and Authority’s obligations hereunder are subject to the Underwriter’s performance of its obligations hereunder. The Underwriter represents that it is duly authorized to execute and deliver this Bond Purchase Agreement and that upon execution and delivery of this Bond Purchase Agreement by the other parties hereto, this Bond Purchase Agreement shall constitute a legal, valid, and binding agreement of the Underwriter enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency, or other similar laws affecting the enforcement of creditor’s rights generally and
by general principles of equity affecting remedies. The Borrower covenants to use its best efforts to accomplish, or cause to be accomplished, the conditions set forth herein prior to the Closing.

The Authority’s obligations hereunder to sell the Bonds to the Underwriter shall also be subject to the satisfaction of all of the conditions set forth in Section 9 above (unless waived by the Underwriter and such waiver is reasonably acceptable to the Authority), the performance by the Authority and the Borrower of the obligations and agreements to be performed thereby at or prior to the date of Closing, including those hereunder, and to the accuracy in all material respects of the representations and covenants of the Authority and the representations, warranties and covenants of the Borrower contained herein and in the Bond Documents as of the date hereof and as of the date of Closing; and shall also be subject to the following conditions, (i) the Authority shall receive the purchase price for the Bonds to be delivered and sold hereunder and (ii) all certificates, opinion and other documents relating to the transactions contemplated by this Bond Purchase Agreement shall be satisfactory in form and substance to the Authority, Bond Counsel and the Borrower.

SECTION 12. REPRESENTATIONS, WARRANTIES, AND AGREEMENTS TO SURVIVE DELIVERY.

The Borrower’s representations, warranties, and agreements and the Authority’s representations and agreements shall remain operative and in full force and effect (unless expressly waived in writing by the Underwriter with the Authority’s written consent), regardless of any investigations made by the Underwriter or on its behalf, and shall survive delivery of the Bonds to the Underwriter and the resale by the Underwriter on behalf of the Authority of the Bonds.

SECTION 13. NOTICE.

All notices and other communications hereunder shall be effective if and only if in writing and delivered personally, transmitted by facsimile which the sender’s facsimile machine indicates has been sent (in the case of an addressee whose facsimile number is supplied), sent by Federal Express or similar courier, or mailed by registered or certified mail (return receipt requested), charges or postage prepaid, to the addressee at the address that shall most recently have been designated, by effective notice hereunder from the addressee to the sender, as the addressee’s desired address for notices hereunder (or, prior to any such notice, at the address for the addressee set forth below):

If to the Authority:

| Housing Authority of the City of Los Angeles |
| 2600 Wilshire Boulevard, 3rd Floor |
| Los Angeles, CA 90057 |
| Attention: Chief Administrative Officer |
| Facsimile: (213) 383-9719 |

With copy to:

| Housing Authority of the City of Los Angeles |
| 2600 Wilshire Boulevard, 3rd Floor |
| Los Angeles, CA 90057 |
| Attention: Bond Manager |
| Telephone: (213) 252-3167 |
If to the Borrower: 
Housing Opportunity Corporation  
c/o Housing Authority of the City of Los Angeles  
2600 Wilshire Boulevard, 4th Floor  
Los Angeles, CA 90057  
Attention: President  

With a copy to:  
Housing Authority of the City of Los Angeles  
2600 Wilshire Boulevard, 3rd Floor  
Los Angeles, CA 90057  
Attention: General Counsel  

If to the Underwriter: 
Raymond James & Associates, Inc.  
880 Carillon Parkway  
St. Petersburg, FL 33716  
Attention: Randy Merritt  
Telephone: (949) 485-5903  

With a copy to:  
Tiber Hudson LLC  
1900 M Street, NW, 3rd Floor  
Washington, DC 20036  
Attention: Kent S. Neumann  
Telephone: (202) 973-0107  

Unless otherwise provided, written notices so delivered, transmitted, sent or mailed shall be effective on the earlier of (x) actual delivery, (y) the date of transmission, if by facsimile on or before 5:00 p.m. of the addressee’s local time, or (z) as applicable, either (i) the first business day following the date of deposit with a qualified guaranteed next day courier service or (ii) the third business day following the date postmarked by the United States Post Office. Any refusal to accept delivery of any such communication shall be considered successful delivery thereof.  

SECTION 14. APPLICABLE LAW; VENUE.  

a) This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State, without regard to any conflicts of law principles.  

b) All claims of whatever character arising out of this Bond Purchase Agreement shall be brought in any state or federal court of competent jurisdiction located in Los Angeles County, California; provided, that to the extent that an Authority Dispute (as defined below) can be separated, from other disputes under this Bond Purchase Agreement ("Separate Dispute"), such Separate Dispute shall be adjudicated by a state or federal court of competent jurisdiction located in Los Angeles County, California. By executing and delivering this Bond Purchase Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Authority of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers.
commissions or governmental units of the State that may exist at the time of and in connection with such matter.

An "Authority Dispute" is any dispute, claim, controversy or cause of action involving (i) the Authority's organization, existence, statutory and corporate powers, and legal and contractual capacity; (ii) the Authority's right to the payment of its fees, costs and expenses, including, but not limited to, attorneys' fees, costs of investigation and the expenses of other professionals retained by the Authority and the reasonableness of such fees, costs, and expenses; (iii) the Authority's and the Authority Indemnified Persons' rights to indemnification from the Borrower (and the Borrower's corresponding obligation to provide such indemnification); (iv) the Borrower's release of the Authority and the Authority Indemnified Persons from liability; (v) exculpation of the Authority and the Authority Indemnified Persons from pecuniary liability; and (vi) the Authority's governmental rights, privileges and immunities.

SECTION 15. PARTIES IN INTEREST.

This Bond Purchase Agreement shall be binding upon, and has been and is made for the benefit of, the Authority, the Borrower and the Underwriter, and to the extent expressed, any person controlling the Authority (including each Authority Indemnified Person), the Borrower or the Underwriter and their respective executors and administrators, and no other person shall acquire or have any right or interest under or by virtue hereof.

SECTION 16. NON-FIDUCIARY ACKNOWLEDGEMENT.

The Borrower and the Authority acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction among the Borrower, the Authority and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor, (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Borrower or any of them or of the Authority, (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Borrower or of the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Borrower or of the Authority on other matters) or any other obligation to the Borrower except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Borrower and of the Authority, and (v) the Borrower has consulted with its own legal and financial advisors to the extent deemed appropriate in connection with the offering of the Bonds.

SECTION 17. WAIVER AND RELEASE OF PERSONAL LIABILITY.

No recourse under or upon any obligation, indemnity, covenant or agreement contained in this Bond Purchase Agreement or under any judgment obtained against the Authority, or by the enforcement of any assessment or by legal or equitable proceedings by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Bond Purchase Agreement, shall be had against any trustee, director, sponsor, member, commissioner, officer, employee or agent, as such, past, present or future, of the Authority or any Authority Indemnified Person, either directly or through the Authority, or otherwise, for the payment or to become owed by the Authority hereunder. Any and all personal liability of every nature, whether at common law or in equity, or by statute or constitution or otherwise, if any trustee, director, sponsor, member, commissioner, officer, employee or agent, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Authority or any receiver thereof, the Underwriter or otherwise, of any amount that may become owed by the Authority hereunder is hereby
expressly waived and released as a condition of and in consideration for the execution of this Bond Purchase Agreement.

SECTION 18. LIMITATION OF LIABILITY OF AUTHORITY.

Notwithstanding anything to the contrary herein, the Authority shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damaging claims or actions of any conceivable kind under any conceivable theory under this Bond Purchase Agreement or any document or instrument referred to herein or by reason of or in connection with this Bond Purchase Agreement or other document or instrument except to the extent it receives amounts from the Borrower for such purpose.

[Signatures to Follow]
SECTION 19. EXECUTION OF COUNTERPARTS.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very Truly Yours,

RAYMOND JAMES & ASSOCIATES, INC.

By: ____________________________
    Tim Wranovix
    Director

[Signatures Continue on Following Page]
Accepted as of the date first above written:

HOUSING OPPORTUNITY CORPORATION

By: __________________________
    Tina Smith-Booth
    President

[Signatures Continue on Following Page]

[Borrower Signature Page to Bond Purchase Agreement]
Accepted as of the date first above written:

**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES**, as Authority

By: ____________________________

Douglas Guthrie  
President and Chief Executive Officer

[Authority Signature Page to Bond Purchase Agreement]
EXHIBIT A

DESCRIPTION OF THE BONDS

Serial Bonds

<table>
<thead>
<tr>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest Rate (%)</th>
<th>Yield (%)</th>
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Term Bonds

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<td>Term</td>
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</table>
EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

$11,500,000
Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

The undersigned, on behalf of Raymond James & Associates, Inc. ("Raymond James"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

Section 1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

Section 2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. If any Hold-the-Offering-Price Maturities are identified in Schedule A, a copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement dated January ___, 2021 (the "Purchase Agreement") among the Authority, the Borrower and Raymond James, Raymond James has agreed in writing that, for each Maturity of the Hold-the-Offering-Price Maturities it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "Hold-the-Offering-Price Rule"). Pursuant to such Purchase Agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

Section 3. Defined Terms.

(a) Authority means the Housing Authority of the City of Los Angeles, its successors and assigns.

(b) General Rule Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(c) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(d) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (January ___, 2021), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
(e) **Maturity** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter as defined in subsection (d) below. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) **Sale Date** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January ___, 2021.

(h) **Underwriter** means (i) Raymond James & Associates, Inc., (ii) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (iii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (ii) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

Dated: January ___, 2021

[Remainder of page intentionally left blank].
The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Raymond James's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority with respect to certain of the representations set forth in the Tax Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Kutak Rock LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Authority from time to time relating to the Bonds.

The Borrower and the Authority may rely on the statements made herein in connection with its efforts to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended (the "Code"). Bond Counsel may also rely on this Certificate for purposes of its opinion regarding the treatment of interest on the Bonds as excludable from gross income for federal income tax purposes. However, notwithstanding the foregoing, we remind you that the Underwriter is not an accountant or actuary, nor is the Underwriter engaged in the practice of law. Accordingly, while the Underwriter believes the calculations described above to be correct, it does not warrant their validity for purposes of Sections 103 and 141 through 150 of the Code or make any representation as to the legal sufficiency of the factual matters set forth herein. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

RAYMOND JAMES & ASSOCIATES, INC.

By: ________________________________
Name: ______________________________
Title: ______________________________
SCHEDULE A

$11,500,000
Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

General Rule Maturities

☐    Not Applicable
☒    Maturities Listed Below

2021 Series A Bonds

[All maturities of the Bonds are General Rule Maturities]

<table>
<thead>
<tr>
<th>Type</th>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Price</th>
<th>CUSIP</th>
</tr>
</thead>
</table>

Hold-The-Offering-Price Rule Maturities

☒    Not Applicable
☐    Maturities Listed Below

2021 Series A Bonds

<table>
<thead>
<tr>
<th>Type</th>
<th>Maturity Date</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Price</th>
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</tr>
</thead>
</table>
SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

☑ Not applicable, because there are no Hold-the-Offering-Price Maturities
☐ Attached
EXHIBIT C

FORM OF AUTHORITY RULE 15c2-12 CERTIFICATE

$11,500,000
Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

The undersigned hereby certifies and represents to Raymond James & Associates, Inc. (the “Underwriter”), that he is authorized to execute and deliver this certificate on behalf of the Housing Authority of the City of Los Angeles (the “Authority”), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the issuance and sale of the above captioned bonds (the “Bonds”).

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement dated January ___, 2021, setting forth information concerning the Bonds and the Borrower (the “Preliminary Official Statement”).

(c) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

Dated: January ___, 2021

[Remainder of page intentionally left blank]
IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth above.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ________________________________

Douglas Guthrie
President and Chief Executive Officer
EXHIBIT D

FORM OF BORROWER'S RULE 15c2-12 CERTIFICATE

$11,500,000
Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

The undersigned hereby certifies and represents to Raymond James & Associates, Inc. (the “Underwriter”) that the undersigned is authorized to execute and deliver this certificate on behalf of Housing Opportunity Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Borrower”), and hereby further certifies to the Underwriter as follows:

(a) This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the issuance and sale of the above captioned securities (the “Bonds”).

(b) In connection with the issuance and sale of the Bonds, there has been prepared a Preliminary Official Statement dated January ___, 2021, setting forth information concerning the Bonds and the Borrower (the “Preliminary Official Statement”).

(c) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), accreted values, yield to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the Underwriter(s), all with respect to the issuance and sale of the Bonds.

(d) The Preliminary Official Statement is, as of the date thereof, deemed final within the meaning of the Rule, except for Permitted Omissions.

(e) The section of the Preliminary Official Statement entitled “CONTINUING DISCLOSURE” describes the agreement the Borrower expects to make for the benefit of the Bondholders in the Continuing Disclosure Agreement dated as of January ___, 2021, executed by the Borrower and the Housing Authority of the City of Los Angeles, as dissemination agent, by which the Borrower will undertake to provide continuing disclosure in accordance with the Rule.

Dated: January ___, 2021
[Borrower’s Signature Page to Rule 15c2-12 Certificate]

IN WITNESS WHEREOF, I have hereunto set my hand as of the date set forth above.

HOUSING OPPORTUNITY CORPORATION

By: ______________________________________
    Tina Smith-Booth
    President
EXHIBIT C

Form of Multi-Family Promissory Note
EXHIBIT B

FORM OF MULTIFAMILY PROMISSORY NOTE

$[_________]  [_______], 2021

FOR VALUE RECEIVED, the Borrower executing this Note, and its successors and assigns (the “Borrower”), promises to pay to the Housing Authority of the City of Los Angeles (together with its successors and assigns, the “Authority”), (1) the principal sum of $[_________] payable on [_______] 1, 20[____], or such earlier dates as required in the Indenture or the Loan Agreement (as defined below), and interest accrued on the unpaid portion thereof, from the date hereof at the rate for each day of accrual equal to the rates of interest borne by the bonds of the Authority designated as Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A (the “2021 Series A Bonds”) at the time Outstanding (as defined in the Indenture) payable on the dates and computed as described in that certain Trust Indenture between MUFG Union Bank, N.A., as trustee (the “Trustee”) and the Authority, as issuer, dated as of May 1, 2020 as amended by that First Supplemental Trust Indenture dated as of [January 1, 2021] (together, the “Indenture”), and the Loan Agreement, relating to principal and interest on the Bonds, and (2) all other amounts specified in the Indenture and Loan Agreement at the times described in the Indenture and Loan Agreement.

This Note and the payments required to be made hereunder have been irrevocably assigned, without recourse, to the Trustee under the Indenture and such payments will be made directly to the Trustee for the account of the Authority pursuant to such assignment. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Bonds are hereby incorporated as a part of this Note.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the Trustee. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a day other than a Business Day (as defined in the Indenture), then such payment may be made on the next succeeding day which is a Business Day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due.

This Note is executed and delivered by the Borrower pursuant to the Loan Agreement, dated as of May 1, 2020 as amended by that First Amendment to Loan Agreement dated as of [January 1, 2021] (together, the “Loan Agreement”), between the Authority and the Borrower relating to the 2021 Series A Bonds and other bonds of the Authority, to evidence a loan by the Authority to the Borrower thereunder from proceeds of the 2021 Series A Bonds. To the extent that any provision of this Note contradicts or is inconsistent with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall control and supersede the contradictory or inconsistent provision herein.
The Borrower shall prepay the outstanding principal sum hereof, as a whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as 2021 Series A Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture. Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

This Note is also secured by the Mortgages (as defined in the Indenture).

If an Event of Default or Default, as defined in the Indenture or the Loan Agreement, shall occur, the principal hereof and accrued interest hereon may, at the option of the holder hereof, be declared due and payable in the manner and with the effect provided in the Indenture or the Loan Agreement.

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the State of California.

[Signature Page to Follow]
HOUSING OPPORTUNITY CORPORATION

By: ________________________________
Name: Tina Smith-Booth
Title: President
ENDORSEMENT

FOR VALUE RECEIVED, the Housing Authority of the City of Los Angeles (together with its successors and assigns, the “Authority”) hereby irrevocably assigns and transfers the foregoing Note, without recourse or warranty, to the order of MUFG Union Bank, N.A. (the “Trustee”), Los Angeles, California, trustee under a Trust Indenture, dated as of May 1, 2020, as amended, between the Authority and the Trustee. The Authority hereby directs the maker of the Note, to make all payments with respect to principal of, premium, if any, and interest on the Note and all other payments required thereby directly to the order of the Trustee for the account of the Authority at the Trustee’s corporate trust office in Los Angeles, California or such other place as the Trustee, or its successor in trust, may designate in writing.

Dated and executed on [_______], 2021.

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: ____________________________
Name: Douglas Guthrie
Title: President and Chief Executive Officer
ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned hereby acknowledges and agrees to the aforesaid assignment of the Note by the Housing Authority of the City of Los Angeles to MUFG Union Bank, N.A., as trustee.

Dated this [___] day of [________], 2021.

[Signatures to Follow]
HOUSING OPPORTUNITY CORPORATION

By: __________________________
Name:  Tina Smith-Booth
Title:  President
EXHIBIT D

Preliminary Official Statement
NEW ISSUE - Book Entry Only

EXPECTED RATING: [S&P 2021 Series A ‘A’]

See “RATING” herein

In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the 2021 Series A Bonds is excludable from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that the interest on the 2021 Series A Bonds is exempt from State of California personal income taxation. For a more detailed description of such opinions of Bond Counsel, see “TAX MATTERS” herein.

$11,500,000*

Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

Dated: Date of Delivery

The Housing Authority of the City of Los Angeles (the “Authority”) is issuing its $11,500,000* Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A (the “2021 Series A Bonds”). The 2021 Series A Bonds, together with the 2020 Bonds (as defined below) and any Additional Bonds (as defined herein), are referred to herein collectively as the “Bonds.” The principal of, premium, if any, and interest on the 2021 Series A Bonds are payable at the designated corporate trust office of MUFG Union Bank, N.A., as Trustee (the “Trustee”), in Los Angeles, California. Interest on the 2021 Series A Bonds is payable on ____ 1 and ____ 1 of each year, commencing ____ 1, 2021*. The 2021 Series A Bonds are being issued only as fully registered bonds in denominations of $5,000 each and integral multiples thereof. The 2021 Series A Bonds will be issued in book-entry form only under a global book-entry system operated by The Depository Trust Company, New York, New York (“DTC”), and purchasers will not be entitled to receive certificates representing their 2021 Series A Bonds for so long as the global book-entry system is in effect. See “THE 2021 SERIES A BONDS—Book Entry-Only System.” Principal of, premium, if any, and interest on the 2021 Series A Bonds will be paid by the Trustee directly to DTC, as the registered owner thereof. Any purchaser as a beneficial owner of a 2021 Series A Bond must maintain an account with a broker or dealer who is, or acts through, a DTC Participant to receive payment of the principal of, premium, if any, and interest on such 2021 Series A Bond. The 2021 Series A Bonds are subject to redemption prior to maturity as more fully described herein.

The Authority previously issued its Mortgage Revenue Refunding Bonds (Union Portfolio Project) 2020 Series A (the “2020 Series A Bonds”) and its Mortgage Revenue Bonds (Union Portfolio Project) 2020 Series B (the “2020 Series B Bonds”) and together with the 2020 Series A Bonds, the “2020 Bonds”) in the combined aggregate principal amount of $31,170,000 pursuant to a Trust Indenture dated as of May 1, 2020 between the Authority and the Trustee (the “Original Indenture”) in order to finance the cost of certain multifamily residential rental housing projects (the “2020 Projects”). In order to finance the cost of the 2021 Series A Projects (as defined herein), the Authority has decided to issue the 2021 Series A Bonds as Additional Bonds (as defined in APPENDIX A—FORMS OF PRINCIPAL DOCUMENTS—The Indenture), pursuant to and secured by the Original Indenture, as amended and supplemented by a First Supplemental Trust Indenture (collectively, the “Indenture”) dated as of January 1, 2021. The 2021 Series A Bonds are being issued for the purpose of (i) providing financing for the acquisition, rehabilitation, improvement, furnishing and equipping of a residential rental housing facility known as Martel Apartments Project, located at 1643 N. Martel Avenue, Los Angeles, CA 90046; (ii) providing financing for the acquisition, rehabilitation, furnishing and equipping of residential rental housing facility known as Marten Gardens Apartments Project, located at 15230 Parthenia Street, Los Angeles, CA 91343 (each a “Project” and together the “2021 Series A Projects”) and together with the 2020 Projects, the “Projects”), [(iii) to make deposits to a debt service reserve fund established with respect to the Bonds]; and (iv) to pay costs in connection with the issuance of the 2021 Series A Bonds.

The proceeds of the 2021 Series A Bonds are being used by the Authority to finance a loan (“Loan”) by the Authority to the Housing Opportunity Corporation, a California nonprofit public benefit corporation and instrumentality of the Authority (the “Borrower”), pursuant to a Loan Agreement dated as of May 1, 2020 (as amended and supplemented from time to time, including by that First Amendment to Loan Agreement dated as of January 1, 2021, the “Loan Agreement”) among the Authority, the Trustee and the Borrower. Pursuant to the Loan Agreement, the Borrower is obligated to make payments sufficient to pay principal of, premium, if any, and interest on the 2021 Series A Bonds, which obligation is evidenced by a promissory note (the “Note”). The Loan is secured by a mortgage lien on and security interest on each Project (the “Mortgages”). The 2021 Series A Bonds will be secured by a pledge and assignment of the Trust Estate (as defined in the Indenture), including certain revenues from the Projects and funds deposited under the Indenture, including payments made by the Borrower pursuant to the Loan Agreement. The Borrower’s obligations under the Loan Agreement are secured by the Mortgages, which include a pledge of Project Revenues (as defined in the Indenture).


INVESTMENT IN THE 2021 SERIES A BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK AND EACH PROSPECTIVE INVESTOR SHOULD CONSIDER ITS FINANCIAL CONDITION AND THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE 2021 SERIES A BONDS. SEE “RISK FACTORS AND INVESTMENT CONSIDERATIONS” HEREIN.
The 2021 Series A Bonds are offered when, as, and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without notice and subject to the approval of legality by Kutak Rock LLP, Omaha, Nebraska, Bond Counsel. Certain legal matters will be passed upon for the Borrower by the In-house Legal Counsel of the Housing Authority of the City of Los Angeles, and for Raymond James & Associates, Inc. (the "Underwriter") by Tiber Hudson LLC, Washington, DC. CSG Advisors Incorporated is serving as municipal advisor to the Authority in connection with the offering of the 2021 Series A Bonds. It is expected that delivery of the 2021 Series A Bonds will be made against payment therefor through the facilities of DTC on or about January __, 2021.

This cover page contains limited information for reference only. It is not a summary of the issue. This entire Official Statement, including the Appendices, must be read to make an informed investment decision.

RAYMOND JAMES

Date: January__, 2021
Maturities, Principal Amounts, Interest Rates and Prices

$11,500,000
Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

Serial Bonds

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<th>Maturity Date</th>
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<th>Yield (%)</th>
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</table>

* Preliminary; subject to change.
No dealer, broker, salesman, or other person has been authorized by the Borrower or the Authority to give any information or to make any representation with respect to the 2021 Series A Bonds, other than as contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Borrower or the Authority. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the 2021 Series A Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information set forth herein has been obtained from the Borrower and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Borrower or the Authority. The information regarding DTC has been obtained from DTC but is not guaranteed as to accuracy or completeness by the Borrower. 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 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. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the information or opinions set forth herein after the date of this Official Statement. This Official Statement does not constitute a contract between or among the Authority, the Borrower or the Underwriter and any one or more of the purchasers or registered Holders of the 2021 Series A Bonds.

THE AUTHORITY HAS NOT PARTICIPATED IN THE PREPARATION OF, OR REVIEWED OR APPROVED, AND DOES NOT REPRESENT OR WARRANT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, OTHER THAN THE STATEMENTS SET FORTH UNDER THE CAPTIONS "THE AUTHORITY" AND "LITIGATION – THE AUTHORITY."

MUFG Union Bank, N.A., as Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to any matters contained in this Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the 2021 Series A Bonds, or (iii) the tax-exempt status of the 2021 Series A Bonds.

CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence, as part of S&P Global Inc.

The 2021 Series A Bonds have not been registered under the Securities Act of 1933, and the Indenture has not been qualified under the Trust Indenture Act of 1939, in reliance on exemptions contained in such Acts.

THE 2021 SERIES A BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE 2021 SERIES A BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE 2021 SERIES A BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE 2021 SERIES A BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2021 SERIES A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND IF DISCONTINUED, MAY BE RECOMMENCED AT ANY TIME.
CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Official Statement contains "forward-looking" information within the meaning of the federal securities laws. Certain statements in this Official Statement that relate to the Projects and the Borrower including, but not limited to, statements under the captions "THE BORROWER AND THE PROJECTS" and "ESTIMATED SOURCES AND USES OF FUNDS" are forward-looking statements that are based on the beliefs of, and assumptions made by, the management of the Borrower. The forward-looking information includes statements concerning the Borrower's outlook for the future, as well as other statements of beliefs, future plans and strategies or anticipated events, and similar expressions concerning matters that are not historical facts. Forward-looking information and statements are subject to many risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance of the Projects and the Borrower to be materially different from any expected future results or performance. These risks and uncertainties include the availability and amount of governmental reimbursements, appropriations, the competitive environment and related market conditions, operating efficiencies, access to capital, the cost of compliance with environmental and health standards, litigation and other risks and uncertainties described herein under "RISK FACTORS AND INVESTMENT CONSIDERATIONS." Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement made in this Official Statement speaks only as of the date of such statement, and the Borrower and the Authority undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

THE UNDERWRITER HEREBY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES ARISING UNDER CALIFORNIA STATE LAW WITH RESPECT TO (1) THE VALIDITY OF THE TRUST INDENTURE OR OTHER DOCUMENTS ISSUED IN CONNECTION WITH THIS TRANSACTION, (2) THE SUBJECT MATTER OF OPINIONS GIVEN BY COUNSEL ISSUED IN CONNECTION WITH THIS TRANSACTION, AND (3) INFORMATION SUPPLIED BY OTHER PARTIES TO THE TRANSACTION. THIS DISCLAIMER DOES NOT APPLY AND IS NOT INTENDED TO APPLY TO THE UNDERWRITER'S RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS.

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relating to the issuance of

$11,500,000*

Housing Authority of the City of Los Angeles
Mortgage Revenue Bonds
(Union Portfolio Project)
2021 Series A

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and Appendices hereto. A full review should be made of the entire Official Statement. The offering of the 2021 Series A Bonds to potential investors is made only by means of the entire Official Statement. Definitions of certain terms used in this Official Statement and not otherwise defined herein are set forth in the Indenture. See Appendix A “FORMS OF THE PRINCIPAL DOCUMENTS – The Indenture” and “FORMS OF THE PRINCIPAL DOCUMENTS” – First Supplemental Trust Indenture” attached hereto.

Purpose of this Official Statement. This Official Statement, including the cover page and the Appendices hereto, is provided to furnish information in connection with the original issuance by the Housing Authority of the City of Los Angeles (the “Authority”) of its $11,500,000* Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A (the “2021 Series A Bonds”). The 2021 Series A Bonds, together with the 2020 Bonds and any Additional Bonds (as defined in Appendix A—FORMS OF PRINCIPAL DOCUMENTS—The Indenture), are referred to herein collectively as the “Bonds.”

Purpose of the 2021 Series A Bonds. The 2021 Series A Bonds are being issued by the Authority to make a loan to the Housing Opportunity Corporation, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the “Borrower”). The Loan will be made pursuant to a Loan Agreement dated as of May 1, 2020 (as amended and supplemented from time to time, including by that First Amendment to Loan Agreement dated as of January 1, 2021, the “Loan Agreement”) among the Authority, the Trustee and the Borrower for the purpose of (i) providing financing for the acquisition, rehabilitation, improvement, furnishing and equipping of a residential rental housing facility known as Martel Apartments Project, located at 1643 N. Martel Avenue, Los Angeles, CA 90046; (ii) providing financing for the acquisition, rehabilitation, improvement, furnishing and equipping of residential rental housing facility known as Parthenia Apartments Project, located at 15230 Parthenia Street, Los Angeles, CA 91343 (each a “Project” and together the “2021 Series A Projects” and together with the 2020 Projects, the “Projects”), [iii] to make deposits to a debt service reserve fund established with respect to the Bonds; and (iv) and to pay costs in connection with the issuance of the 2021 Series A Bonds.

The 2021 Series A Bonds. In order to finance the cost of the 2021 Series A Projects, the 2021 Series A Bonds are to be issued as Additional Bonds pursuant to the provisions of the Housing Authorities Law, consisting of Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code (as amended, the “Act”), and a Trust Indenture dated as of May 1, 2020 (the “Original Indenture”) between the Authority and MUFG Union Bank, N.A., Los Angeles, California, as trustee (the “Trustee”), as amended and supplemented by a First Supplemental Trust Indenture (collectively, the “Indenture”), dated January 1, 2021. The 2021 Series A Bonds will be issued in the amounts, will be dated, will bear interest at the respective rates, will be payable on the dates and will mature on the respective dates set forth on the inside cover page of this Official Statement. The 2021 Series A Bonds shall be in one Series and shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, “Housing Authority of the City of Los Angeles Mortgage Revenue Bonds (Union Portfolio Project) 2021 Series A.” The 2021 Series A Bonds shall be registered in accordance with the provisions set forth in the Original Indenture. The 2021 Series A Bonds shall be lettered “RA” and numbered consecutively commencing with RA-1.

* Preliminary; subject to change.
The 2021 Series A Bonds are subject to redemption as described herein under the caption “THE 2021 SERIES A BONDS – Redemption at the Direction of the Borrower; Redemption Other Than at the Borrower’s Direction; and as set forth in the Original Indenture.” For a more complete description of the 2021 Series A Bonds, see “THE 2021 SERIES A BONDS” herein.


Trust Estate. The 2021 Series A Bonds are secured by the Trust Estate created in the Indenture which includes all right, title and interest of the Authority and the Trustee in and to (a) the Loan Agreement, the Note, the Mortgages and the other Borrower’s Documents (other than the Unassigned Rights as defined in the Indenture), including the proceeds thereof or recovery thereon; (b) all interests, including money and securities and interest earnings, from time to time held by the Trustee under the terms of the Indenture or Borrower’s Documents (except with respect to money in the Rebate Fund), and any interest, profits and other income derived from the investment thereof, including the proceeds of the 2021 Series A Bonds, subject to the application thereof in accordance with the Indenture, and including Net Proceeds; (c) except for Unassigned Rights, any and all other rights and interests in property conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the 2021 Series A Bonds by the Authority or by anyone on its behalf or with its written consent to the Trustee; and (d) all proceeds of the foregoing. The Indenture and Loan Agreement also permit the issuance of Additional Bonds and the incurrence of additional Parity Indebtedness by the Borrower, which would be secured by the Trust Estate and which may be incurred on a parity basis with the 2020 Series Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2021 Series A BONDS” herein and “FORMS OF THE PRINCIPAL DOCUMENTS – The Loan Agreement – Other Indebtedness” and “FORMS OF THE PRINCIPAL DOCUMENTS – First Amendment to Loan Agreement” in Appendix A hereto.

The Note. The Borrower is obligated under the Loan Agreement to make payments (the “Loan Payments”) in such amounts and at such times as will be sufficient to pay, when due, the principal of, premium, if any, and interest on the 2021 Series A Bonds as well as pay certain other fees and expenses in connection with the 2021 Series A Bonds. As evidence of its obligations to make the Loan Payments with respect to the 2021 Series A Bonds, the Borrower will execute and deliver to the Authority a promissory note (the “Note”), which the Authority will endorse to the Trustee.

Nonrecourse Obligations. The Borrower’s obligations under the Loan Agreement, the Note and the Mortgages (as hereinafter defined) are limited, nonrecourse obligations and the Borrower has no obligation to make payments of amounts due under the Loan Agreement except from Project Revenues and from amounts held in the Funds and Accounts created under the Indenture and the security provided by the Mortgages. No other revenues or assets of the Borrower will be available for the payment of, or as security for, the 2021 Series A Bonds. The right of the Authority to collect and receive payments under the Loan Agreement (other than payments related to the Unassigned Rights) has been assigned to the Trustee under the Indenture for the benefit of the Holders. No assets or other revenues of the Authority are or will be available for the payment of, or as security for, the 2021 Series A Bonds.
Mortgages. As further security for the 2021 Series A Bonds, and to secure the Borrower's obligations under the Note and the Loan Agreement, the Borrower will grant to the Trustee deeds of trust, dated on or about the date of issuance of the 2021 Series A Bonds, to be recorded against the 2021 Series A Projects (a "Mortgage" and, together with that existing Deed of Trust dated as of May 1, 2020 from the Borrower in favor of the Trustee granted in connection with the issuance of the 2020 Bonds, collectively, jointly and severally securing the Loan, the "Mortgages") in the real property records of the jurisdiction where such Project is located. Such Mortgages grant to the Trustee a first lien on and first security interest in the Borrower's interest in the 2021 Series A Projects and the sites thereof. The first lien and first security interest are subject to Permitted Encumbrances identified therein and such liens and security interests will secure the 2021 Series A Bonds, together with any additional Parity Indebtedness.

HAP Contracts. [BORROWER TO UPDATE] Pursuant to the provisions of Section 8 of the United States Housing Act of 1937, as amended (the "U.S. Housing Act"), the United States of America acting through the Department of Housing and Urban Development ("HUD") and local housing authorities, which in this case is the Authority, (or respective agents thereof) having jurisdiction over such matters with respect to the Clemson-Corbett Project and the Union Tower Project (collectively, the "Administrators" and each an "Administrator") expect to enter into (i) individual housing assistance payments basic renewal contracts on an annual basis for 125 of the 128 units at the Clemson-Corbett Project with the Authority as further described in the table below and (ii) maintain the existing five-year housing assistance payments basic renewal contract at the Union Tower Project (collectively, the "HAP Contracts" and each a "HAP Contract") with the Authority with terms as further described in the table below. Subject to the terms of the HAP Contracts, the Borrower will be entitled to receive certain payments from HUD ("Housing Assistance Payments") with respect to the units identified in the table below at the Projects (the "Section 8 Units") occupied by low-income families eligible to receive rental assistance under Section 8 of the U.S. Housing Act. See "SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM." The Borrower will irrevocably pledge and assign certain rights and interest under the HAP Contract to which it is a party to the Trustee pursuant to an Assignment of Housing Assistance Payments Contract and Payments (collectively, the "HAP Assignments" and each a "HAP Assignment"). See "SECURITY AND SOURCES OF PAYMENT FOR THE 2021 Series A BONDS – Assignments of Housing Assistance Payments" herein.

The amount of the Housing Assistance Payments equals the difference between rent permitted by the HAP Contracts ("Contract Rents") for Section 8 Units and that portion of the rent paid by tenants, up to the maximum aggregate annual amount established by the HAP Contracts (which amount may be exceeded under certain circumstances and may be increased or decreased by HUD pursuant to the HAP Contracts). The Borrower has covenanted under the HAP Contract to which it is a party that so long as the Borrower is the owner of the related Project, it will restrict rents at such Project to rental rates as have been established and approved by HUD. Such rental rates may be increased annually on the anniversary of the related HAP Contract by an annual HUD-determined operating cost adjustment factor ("OCAF"). Each HAP Contract contains a provision allowing the Borrower to seek a budget-based rent increase. See "SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM."

The following table sets for the respective terms, effective periods, number of units and number of Section 8 Units at each of the following Projects:

**Existing HAP Contracts [BORROWER TO UPDATE FOR NEW PROJECTS (AS APPLICABLE)]**

<table>
<thead>
<tr>
<th>Project</th>
<th>Total Units</th>
<th>Section 8 Units</th>
<th>Most Recent Renewal</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clemson-Corbett</td>
<td>128</td>
<td>125</td>
<td>Variable; individual HAP contracts renewed annually</td>
<td>Variable; individual HAP contracts renewed annually</td>
</tr>
<tr>
<td>Union Tower</td>
<td>200</td>
<td>199</td>
<td>March 1, 2016</td>
<td>March 1, 2021</td>
</tr>
</tbody>
</table>

[NEW Project]

The HAP Contracts are currently scheduled to expire on the respective dates shown in the table above, or upon the happening of certain events, at which times a substantial portion of the Bonds is expected to be
outstanding. There is no assurance that HUD will extend the term of the HAP Contracts or any of them beyond their respective termination dates or that upon the expiration of any of the HAP Contracts other HUD subsidy programs will be available to the Borrower or any of them or the Projects or any of them. See the captions “SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM” and “RISK FACTORS AND INVESTMENT CONSIDERATIONS – Housing Assistance Payments Risk – Scheduled Termination of Housing Assistance Payments” herein.

The Property Manager. EAH, Inc. ("EAH") and WSH Management, Inc. ("WSH") (together, the "Property Manager") currently operate and manage the [2020] Projects pursuant to [five] separate management agreements dated as of October 1, 2019 (collectively, the "Management Agreement"). The Property Manager operates and manages a variety of affordable housing programs for public, private, and non-profit clients. The Property Manager currently manages properties in 2 states and manages more than 10,000 total units. See "THE BORROWER AND THE PROJECTS – The Property Manager” herein. [BORROWER: CONFIRM MANAGEMENT AGREEMENTS WITH NEW PROJECTS].

Risk Factors. AN INVESTMENT IN THE 2021 SERIES A BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK, INCLUDING, AMONG OTHERS, RISKS ASSOCIATED WITH THE LIMITED SOURCE OF PAYMENT FOR THE 2021 SERIES A BONDS AND VARIOUS REAL ESTATE AND OPERATING RISKS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY CONSIDER THE STATEMENTS AND INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT, INCLUDING THE MATERIAL UNDER THE CAPTION "RISK FACTORS AND INVESTMENT CONSIDERATIONS."

This Official Statement and the Appendices attached hereto contain descriptions of, among other matters, the 2021 Series A Bonds, the Borrower, the Projects, the Indenture, the Loan Agreement, the Mortgages, the HAP Contracts, the HAP Assignments, the Management Agreements, the Tax Agreement, and the Continuing Disclosure Agreement. Such descriptions and information do not purport to be comprehensive or definitive. Definitions of certain terms and words used in this Official Statement and not otherwise defined are set forth in the Indenture. All references herein to any agreements are qualified in their entirety by reference to such agreements and documents, and all references herein to the 2021 Series A Bonds are qualified in their entirety by reference to the forms thereof included in the Indenture. Copies of such agreements and all other documents referenced herein are available to the recipient of this Official Statement during the initial offering period by contacting the Underwriter.

THE 2021 SERIES A BONDS

The 2021 Series A Bonds are available in book-entry only form. See “Book-Entry-Only System” below. So long as Cede & Co., as nominee of The Depository Trust Company (“DTC”), is the registered owner of the 2021 Series A Bonds, references herein to the 2021 Series Bondholders or holders or Holders or registered owners of the 2021 Series A Bonds means Cede & Co. and not the beneficial owners of the 2021 Series A Bonds.

General Description

The 2021 Series A Bonds are issuable as fully registered bonds without coupons in denominations of $5,000 each and integral multiples thereof. The 2021 Series A Bonds will be dated their date of delivery. The 2021 Series A Bonds will bear interest at the rates, and will mature on the dates and in the amounts, all as set forth on the inside cover page of this Official Statement. Interest on the 2021 Series A Bonds will be payable semiannually on each _______ 1 and _______ 1 of each year (the "Interest Payment Dates") commencing _______ 1, 2021”, and will be payable as to principal on the dates and in the amounts as set forth in the Indenture. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Each 2021 Series A Bond shall bear interest from the Interest Payment Date preceding the date of authentication thereof, unless the date of such authentication is after the fifteenth day (whether or not a Business Day) of the calendar month preceding the applicable Interest Payment Date (the “Record Date”), in which case it will bear interest from the next succeeding Interest Payment Date, or unless no interest has been paid on such Series 2021 Bond,
in which case from its date of delivery; provided, however, that if at the time of registration of any 2021 Series Bond the interest thereon is in default, as shown by the records of the Trustee, such 2021 Series Bond shall bear interest from the date to which interest has been paid in full.

Transfer and Exchange of the 2021 Series A Bonds

So long as the 2021 Series A Bonds are in book-entry only form, Cede & Co., as nominee of DTC, will be the sole registered owner of the 2021 Series A Bonds. Transfers of beneficial interests in the 2021 Series A Bonds will be made as described below under “Book-Entry-Only System.”

Book-Entry-Only System

The following has been provided by DTC for use herein. While the information is believed to be reliable, none of the Authority, the Trustee, the Borrower or the Underwriter, subject to the standard of review found on the inside cover hereof, nor any of their respective counsel, members, officers or employees, make any representations as to the accuracy, sufficiency or completeness of such information.

The 2021 Series A Bonds initially are being issued solely in book-entry form to be held in the book-entry-only system maintained by The Depository Trust Company (“DTC”), New York, New York. So long as such book-entry system is used, only DTC will receive or have the right to receive physical delivery of 2021 Series A Bonds and Beneficial Owners (as hereinafter defined) will not be or be considered to be, and will not have any rights as, owners or holders of the 2021 Series A Bonds under the Resolution. The following information about the book-entry-only system applicable to the 2021 Series A Bonds has been supplied by DTC. Neither the Authority nor the Trustee makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the 2021 Series A Bonds. The 2021 Series A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2021 Series Bond certificate will be issued for each maturity of the 2021 Series A Bonds, each in the aggregate principal amount of maturity and will be deposited with DTC.

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

Purchases of 2021 Series A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Series A Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2021 Series Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into
the transaction. Transfers of ownership interests in the 2021 Series A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2021 Series A Bonds, except in the event that use of the book-entry system for the 2021 Series A Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Series A 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 2021 Series A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Series A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2021 Series A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2021 Series A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Series A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2021 Series Bond documents. For example, Beneficial Owners of 2021 Series A Bonds may wish to ascertain that the nominee holding the 2021 Series A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of notices be provided directly to them. Redemption notices shall be sent to DTC. If less than all of the 2021 Series A 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 2021 Series A 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 Authority, as issuer of the 2021 Series A Bonds, 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 2021 Series A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, redemption proceeds and distributions on the 2021 Series A 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 Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 2021 Series A Bonds 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 Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Series A Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2021 Series A Bond certificates are required to be printed and delivered to DTC. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2021 Series A Bond certificates will be printed and delivered to DTC. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER
OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE TRUSTEE AS BEING A HOLDER WITH RESPECT TO: (1) THE 2021 SERIES A BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE 2021 SERIES A BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2021 SERIES A BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the 2021 Series A Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender 2021 Series A Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments. Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the 2021 Series A Bonds.

THE AUTHORITY AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE 2021 SERIES A BONDS (I) PAYMENTS OF PRINCIPAL OF AND INTEREST ON THE 2021 SERIES A BONDS, (II) 2021 SERIES A BONDS REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2021 SERIES A BONDS OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE 2021 SERIES A BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC, DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT “RULES” APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION, AND THE CURRENT “PROCEDURES” OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS ARE ON FILE WITH DTC.

Revision of Book-Entry-Only System

If either (a) the Authority receives notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibility as a Clearing Agency (as defined in the Indenture) for the Bonds or, (b) the Authority elects with the prior written consent of the Borrower to discontinue its use of DTC as a Clearing Agency and the Authority fails to establish a securities depository/book-entry system relationship with another Clearing Agency, then the Authority and the Trustee and any Paying Agent each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of DTC as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with the Indenture. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the Borrower.

Redemption at the Direction of the Borrower

The 2021 Series A Bonds maturing on or after _________ are subject to redemption prior to their stated maturity on or after _________, at the option of the Borrower, on behalf of the Authority, from any source of available funds, as a whole or in part on any date specified by the Borrower in a notice of redemption given by the Trustee to the Holders of the 2021 Series A Bonds to be redeemed (with a copy to the Authority) at least 30 days, but no more than 60 days, prior to such redemption date, at the principal amount thereof together with interest accrued thereon to the date fixed for redemption, without premium.
In the case of any redemption of any Bonds by the Borrower, on behalf of the Authority, the Borrower, will give written notice to the Trustee of its direction so to redeem, and of the date fixed for redemption, the Series and the principal amounts of the Bonds of each maturity of such Series to be redeemed, subject to any limitations with respect thereto contained in the Indenture. Upon the delivery of such written request by the Borrower to the Trustee, the Authority shall be deemed, without any action on the Authority’s part, to have exercised its option to redeem the Bonds under this Section. Such notice will be given by the Borrower to the Trustee at least 45 days prior to the date fixed for redemption or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption has been given as provided in the Indenture, there will be paid on or prior to the date fixed for redemption to the Trustee an amount which, in addition to other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem on the date fixed for redemption at the Redemption Price thereof, plus interest accrued and unpaid to the date fixed for redemption, all of the Bonds to be redeemed. See “FORMS OF THE PRINCIPAL DOCUMENTS – First Supplemental Trust Indenture” in Appendix A hereto.

Redemption Other Than at the Borrower’s Direction

The 2021 Series A Bonds shall be called for redemption (a) in whole or in part in the event the related Projects, or any portion thereof, are damaged or destroyed or taken in a condemnation proceeding and Net Proceeds resulting therefrom are to be applied to the payment of the Note as provided in the Loan Agreement and the Borrower pursuant to the Loan Agreement have elected to use the Net Proceeds to redeem 2021 Series A Bonds, (b) in whole in the event the Borrower exercises its option to terminate the Loan Agreement (and cause the 2021 Series A Bonds to be redeemed), (c) in whole or in part from proceeds of the Title Policies as provided in the Loan Agreement, (d) in whole or in part, at the earliest practicable date, in the event that the Borrower determines that the continued operation of one or more related Projects would have a material adverse effect on the ability of the Borrower to meet the financial covenants set forth in the Loan Agreement, as established by a report of a Management Consultant, or (e) in whole in the event the Borrower is required to prepay the Loan following a “Default” under the Loan Agreement. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Indenture” and “The Loan Agreement” in Appendix A hereto.

The 2021 Series A Bonds shall be called for redemption (f) in whole or in part at the issue price thereof (par plus initial premium) plus accrued interest to the redemption date at the earliest practicable date, from the amount remaining in the Additional Projects Account of the Project Fund, funded with 2021 Series A Bond proceeds, rounded down to the nearest Authorized Denomination, if there remains a balance in the Additional Projects Account of the Project Fund funded with 2021 Series A Bond proceeds, on the date that is three (3) years from the Closing Date.

If called for redemption at any time pursuant to (a) through (f) above, the 2021 Series A Bonds to be redeemed shall be subject to redemption by the Authority (in accordance with the Indenture) prior to maturity, in whole at any time or (in the case of redemption pursuant to clause (a), (c) or (d) above) in part at any time (less than all of such Bonds to be selected in accordance with the provisions of the Indenture (as described under the caption “Selection of Bonds to be Redeemed” below)) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date; [or in the case of (f) above, in whole or in part at a redemption price of the issue price thereof (par plus initial premium) plus accrued interest to the redemption date; such redemption date to be a date determined by the Borrower, and in the case of redemption pursuant to (e) above, to be the earliest practicable date, following acceleration of amounts due under the Loan Agreement.
Subject to the terms and conditions set forth in this Section, the 2021 Series A Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest on [June 1] of each year and in the principal amounts shown below:

<table>
<thead>
<tr>
<th>Mandatory Sinking Account Payment Dates</th>
<th>Mandatory Sinking Account Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>([June 1])</td>
<td>$</td>
</tr>
</tbody>
</table>

* Maturity.

Selection of Bonds to be Redeemed

The Bonds may be redeemed only in Authorized Denominations. If less than all of the Bonds are being redeemed: (a) the principal amount and Series of the Bonds to be redeemed shall be designated by a Borrower’s Representative in writing to the Trustee and (b) the particular Bonds of the Series or portions thereof to be redeemed shall be selected by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, the Trustee by lot. If it is determined that less than all of the principal amount represented by any maturity is to be called for redemption, then, following notice of intention to redeem such principal amount, the Holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (i) payment on the redemption date to such Holder of the redemption price of the amount called for redemption and (ii) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond, which shall be an Authorized Denomination. A new Bond of such Series representing the unredeemed balance of such Bond shall be issued to the Holder thereof, without charge therefor. Such provision shall not apply to scheduled mandatory sinking fund redemptions. If the Holder of any Bond or integral multiple of the Authorized Denomination selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only), and interest shall cease to accrue from the date fixed for redemption.

Notice of Redemption

In the event any of the 2021 Series A Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such 2021 Series A Bonds, which notice shall (i) specify the 2021 Series A Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the designated corporate trust office of the Trustee) and, if less than all of the 2021 Series A Bonds are to be redeemed, the maturities of the 2021 Series A Bonds, and the portions of the 2021 Series A Bonds, to be so redeemed, (ii) state any condition to such redemption, including but not limited to a statement that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the 2021 Series A Bonds, including any redemption premium, and (iii) state that on the redemption date, and upon satisfaction of any such condition, the 2021 Series A Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by mail to the Holders of the 2021 Series A Bonds to be redeemed, at least thirty (30) days but no more than sixty (60) days prior to the date fixed for redemption. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of the 2021 Series A Bonds so called for redemption at the place or places of payment, such 2021 Series A Bonds shall be redeemed.

The Trustee may give any other or additional redemption notice as it deems necessary or desirable.
Any 2021 Series A Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with the Indenture shall cease to bear interest on the specified redemption date.

Payment of Redemption Price

For the redemption of any of the 2021 Series A Bonds pursuant to the Indenture, the Trustee shall cause to be deposited in the applicable Special Redemption Account of the Bond Fund, whether out of Project Revenues or any other moneys constituting the Trust Estate, including proceeds from the sale of a Project, Net Proceeds of any Insurance Proceeds or Condemnation Awards available for such purpose pursuant to the Loan Agreement, or otherwise, an amount sufficient to pay the principal of, premium, if any, and interest to become due on the date fixed for such redemption. The obligation of the Trustee to cause any such deposit to be made under the Indenture shall be reduced by the amount of moneys in such Special Redemption Account available for and used on such redemption date for payment of the principal of, premium, if any, and accrued interest on the 2021 Series A Bonds to be redeemed. See FORMS OF THE PRINCIPAL DOCUMENTS – “The Trust Indenture” and “The First Supplemental Trust Indenture” in Appendix A hereto.

No Partial Redemption After Default

Anything in the Indenture to the contrary notwithstanding, if there has occurred and is continuing an Event of Default under the Indenture on account of a failure to pay the principal of or premium, if any, or any installment of interest on the Bonds when due and payable with respect to the Bonds, there shall be no redemption of less than all of the Bonds Outstanding. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Trust Indenture” in Appendix A hereto.

ANNUAL DEBT SERVICE REQUIREMENTS

The principal (including principal payable at maturity and by mandatory sinking fund redemption) and interest payment requirements with respect to the 2021 Series A Bonds are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total
Aggregate Debt Service

<table>
<thead>
<tr>
<th>Year</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
</table>

Total

SECURITY AND SOURCES OF PAYMENT FOR THE 2021 SERIES A BONDS

Trust Estate

The 2021 Series A Bonds are secured by a first lien on and pledge and assignment of a security interest in the Trust Estate. The Trust Estate includes (a) all right, title and interest of the Authority and the Trustee in and to the Note, the Mortgages and the Loan Agreement (other than the Unassigned Rights), including the proceeds thereof or recovery thereon, including the Trustees interest in the HAP Contracts; (b) all interests, including money and securities and interest earnings, from time to time held by the Trustee under the terms of the Indenture or Borrower’s Documents (except amounts on deposit in the Rebate Fund and except that money and securities on deposit in the Funds and Accounts established with respect to the 2021 Series A Bonds shall be held solely for the Holders of the 2021 Series A Bonds) and any interest, profits and other income derived from the investment thereof, including the proceeds of the 2021 Series A Bonds, subject to the application thereof in accordance with the Indenture, including Net Proceeds; (c) excepting the Unassigned Rights, any and all other rights and interests in property conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the 2021 Series A Bonds by the Authority or by anyone on its behalf or with its written consent to the Trustee; and (d) all proceeds of the foregoing.

Special Limited Obligations of Authority


Repayment of Loan; Limited Recourse

The Loan Agreement and the Note obligate the Borrower to pay to the Trustee, for the account of the Authority, ratably monthly payments equal to the amounts required to pay the interest coming due on each Interest Payment Date with respect to the 2021 Series A Bonds plus the principal amount of the 2021 Series A Bonds maturing or required to be redeemed.

The Borrower’s obligations to make Loan Payments with respect to the 2021 Series A Bonds are limited obligations of the Borrower, and Holders of the 2021 Series A Bonds will have recourse only to the Projects, the moneys held in the Funds and Accounts created under the Indenture (except as specifically set forth therein) and the Project Revenues to satisfy the obligations of the Borrower with respect to the 2021 Series A Bonds. No other revenues or assets of the Borrower will be available for the payment of, or as security for, the 2021 Series A Bonds.

Pursuant to the Indenture, the Authority will pledge and assign all its rights and interests (except certain reimbursement and indemnification rights of the Authority and its rights to perform discretionary acts) and all amounts payable (other than certain fees and expenses due to the Authority) under the Loan Agreement, the Note and the Mortgages to the Trustee, in trust, to be held and applied pursuant to the provisions of the Indenture, for the benefit of the Holders of the Series 2021 Bonds.

Mortgages

To secure the payment of the Loan Payments payable under the Loan Agreement and the Note, the Borrower will grant to the Trustee under the Mortgages, a first priority lien on and a first security interest in the Projects and the right, title and interests of the Borrower in the Project Revenues and other property as described in the Mortgages, including the Borrower’s fee interests in the sites of the Projects, subject only to certain Permitted Encumbrances identified therein and which Mortgages will secure the 2021 Series A Bonds. The mortgaged property includes generally all the land and the buildings, fixtures and equipment comprising the Projects. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Mortgages” in Appendix A hereto.

Assignments of Housing Assistance Payments

Under and pursuant to the HAP Assignments, the Borrower has transferred to the Trustee all of the Borrower’s right, title and interest in and to the HAP Contracts and the Housing Assistance Payments payable thereunder. See “SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM – The HAP Contracts” herein. The Borrower has covenanted in the Loan Agreement to request increases in the Housing Assistance Payments from HUD to cover escalations in the operating expenses of the Projects and to renew the HAP Contracts to the maximum extent permitted thereunder and has further covenanted to waive its right to cancel under the HAP Contracts or amend or modify the same (except as necessary to reflect increases in Contract Rents thereunder) without the written consent of the Trustee as long as any 2021 Series A Bonds remain outstanding.

Operation of the Projects

Payments to be made by the Borrower pursuant to the Loan Agreement will be derived solely from revenues generated by the operation of the Projects and the monies held in the Funds and Accounts held under the Indenture.
NO REPRESENTATIONS OR ASSURANCES CAN BE MADE THAT REVENUES WILL BE REALIZED BY THE BORROWER IN AMOUNTS NECESSARY TO ENABLE THE BORROWER TO MAKE PAYMENTS PURSUANT TO THE LOAN AGREEMENT SUFFICIENT TO PAY THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2021 SERIES A BONDS.

Rate Covenants

The Borrower has agreed in the Loan Agreement to use its best efforts to fix, charge and collect, or cause to be fixed, charged and collected, rents, fees and charges in connection with the operation and maintenance of the Projects, such that for each Fiscal Year, beginning with the Fiscal Year ending December 31, 2021, the Debt Service Coverage Ratio will not be less than the applicable Coverage Test (being $1.20 to 1.00 on all Outstanding 2021 Series A Bonds), determined as of the end of each such Fiscal Year. In the event that the Borrower should fail to meet such rate covenant, the Borrower is required to retain a management consultant to make recommendations with respect to the operations of the Projects and the sufficiency of the rates, fees and charges imposed by the Borrower to enable the Borrower to improve the Debt Service Coverage Ratio to at least the applicable Coverage Test. However, failure by the Borrower to retain a consultant or implement the recommendations of that consultant in any calendar year in which the Debt Service Coverage Ratio is not met will constitute a Default as set forth in the Loan Agreement. Failure of the Borrower to meet the rate covenant does not constitute an Event of Default with respect to the 2021 Series A Bonds. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Loan Agreement” in Appendix A hereto.

Revenue Fund

(a) There shall be deposited into the Revenue Fund (i) all Loan Payments and other amounts paid to the Trustee under the Loan Agreement (other than prepayments required to redeem Bonds pursuant to the Indenture, which shall be deposited into the related Special Redemption Account), (ii) all other amounts required to be so deposited pursuant to the terms of the Indenture or of the Tax Agreement, including investment earnings to the extent provided in the Indenture, (iii) any amounts derived from the Loan Agreement or the Mortgages to be applied to payment of amounts intended to be paid from the Revenue Fund and (iv) such other money as is delivered to the Trustee by or on behalf of the Authority or the Borrower with written directions for deposit of such money in the Revenue Fund. Upon a failure by the Borrower to meet the Coverage Test Covenant, all Project Revenues shall be delivered by the Borrower to the Trustee and deposited in the Revenue Fund.

(b) Money on deposit in the Revenue Fund shall be disbursed on the Business Day prior to the first of each month in the following order of priority:

1. To the Interest Account, the applicable Interest Requirement for the 2021 Series A Bonds for that calendar month, together with an amount equal to any unfunded Interest Requirement for the 2021 Series A Bonds for any prior month and, at the written direction of a Borrower’s Representative, to the holder of any Parity Indebtedness an amount, as certified by a Borrower’s Representative, equal to the interest due in such month;

2. To the Principal Account an amount equal to the Principal Requirement for the 2021 Series A Bonds for that calendar month, together with an amount equal to any unfunded Principal Requirement for the 2021 Series A Bonds from any prior month and, at the written direction of a Borrower’s Representative, to the holder of any Parity Indebtedness an amount, as certified by a Borrower’s Representative, equal to the principal due in such month;

3. To the Debt Service Reserve Account for the Bonds, the amount, if any, required to be paid into the Debt Service Reserve Account for the Bonds pursuant to the Loan Agreement to restore the amount on deposit therein to the Debt Service Reserve Requirement;

4. Upon a failure by the Borrower to meet the Coverage Test Covenant in the Loan Agreement and during the continuing obligation of the Borrower to make Loan Payments pursuant to the Loan Agreement, subject to the provisions of the Indenture, for transfer to the Insurance Escrow Fund, an amount equal to one-twelfth of the amount budgeted by the Borrower for the current year for annual premiums for
insurance required to be maintained pursuant to the Loan Agreement and for annual real estate taxes (if any), or other charges for governmental services for the current year, as provided in the Budget, provided that distribution by the Trustee to the Insurance Escrow Fund in respect of the first date or dates on which premiums for insurance or other payments described above are payable will be made in amounts equal to the respective quotients obtained by dividing the sum of (i) the amount of such premiums and (ii) the amount of such taxes or other charges, by the respective number of months, including the month of computation, to and including the month prior to the month in which such premiums or taxes are payable;

(5) Upon a failure by the Borrower to meet the Coverage Test Covenant and during the continuing obligation of the Borrower to make Loan Payments pursuant to the Loan Agreement, to the respective accounts within the Operating Fund, an amount equal to such month’s Operating Requirement, as provided in the Budget, together with such additional Operating Expenses requested in writing by a Borrower’s Representative pursuant to and after satisfaction of the conditions specified in the Loan Agreement, which shall then automatically be transferred to the respective Property Operating Accounts;

(6) Subject to the provisions of the Indenture, for transfer to the accounts within the Repair and Replacement Fund, commencing with the month of June 2021, an amount equal to the one-twelfth (1/12) of the Replacement Reserve Requirement;

(7) Subject to the provisions of the Indenture, for transfer to the Administration Fund, an amount equal to one-twelfth (1/12) of the Administration Expenses scheduled to be due and payable on or before the next succeeding Principal Payment Date, which amount scheduled shall be communicated in writing to the Trustee by a Borrower’s Representative;

(8) To the Rebate Fund, to the extent of any deposit required to be made thereto pursuant to the Tax Agreement; and

(9) To the Surplus Fund, the amount, if any, required to be paid into the Surplus Fund to restore the amount on deposit therein to the Surplus Fund Requirement pursuant to the Indenture, and all other remaining amounts.

In the event that, for any month, there are insufficient funds in the Revenue Fund to fund any one or more of the uses set forth in clauses (1) through (8) above, the amount not funded in such month due to such insufficiency of revenues shall first be funded by amounts then-existing in the Surplus Fund, and any remaining unfunded amount shall be added to the amount to be funded in subsequent months under the same clause until such amount has been in fact funded. If funds in the Revenue Fund are insufficient to fund the uses in clause (7) above, then the Borrower shall pay any shortfalls in the payment of Administration Expenses as they become due. Failure to deposit sufficient Project Revenues to make the deposits described above shall not, in itself, constitute an Event of Default thereunder.

Debt Service Reserve Fund

There shall be deposited into the Debt Service Reserve Fund (i) all money transferred to such Debt Service Reserve Fund pursuant to the Indenture, (ii) money transferred from the Revenue Fund pursuant to the Indenture, and (iii) any other money received by the Trustee with directions from such party to deposit the same in the Debt Service Reserve Fund.

Amounts on deposit in the Debt Service Reserve Account shall be used to make the payments required pursuant to the Indenture after the transfer of any amounts from the Surplus Fund and the Repair and Replacement Fund pursuant to the Indenture, if the amounts on deposit in the Revenue Fund are insufficient therefor.

Amounts on deposit in the Debt Service Reserve Account shall be transferred to the applicable Principal Accounts of the Bond Fund at the written direction of the Borrower’s Representative for the purpose of paying the last maturing principal of the 2021 Series A Bonds on a Principal Payment Date or, if all of the 2021 Series A Bonds are being redeemed, to the Special Redemption Account of the Bond Fund for redemption of Bonds.
Upon the issuance of Additional Bonds pursuant to the Indenture, or upon redemption prior to maturity of any Bonds, the Authority shall provide to the Trustee a certificate of the Authority setting forth an updated schedule of annual debt service on the Bonds Outstanding in substantially the form of the table initially attached as an exhibit to the Indenture.

If the Debt Service Reserve Requirement for the Bonds is reduced or eliminated, the amounts on deposit in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement shall, at the written direction of a Borrower’s Representative delivered to the Trustee, be either (i) transferred to the Special Redemption Account to be used to redeem Bonds pursuant to the Indenture, (ii) transferred to the Principal or Interest Account to pay the principal of and/or interest on the Bonds as it becomes due, or (iii) if no Bonds remain outstanding, either transferred to the Revenue Fund and applied as provided in the Indenture, or used for any other purpose directed in writing by a Borrower’s Representative, which, in the Favorable Opinion of Bond Counsel delivered to the Authority and the Trustee, complies with the Act and will not adversely affect the exclusion from gross income of the recipients thereof of the interest on the 2021 Series A Bonds for federal income tax purposes.

All interest income derived from the investment of amounts on deposit in the Debt Service Reserve Account shall be retained in the Debt Service Reserve Account until the amount on deposit therein shall be equal to the Debt Service Reserve Requirement for the Bonds and thereafter shall be deposited into the Revenue Fund. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Trust Indenture” in Appendix A hereto.

**Surplus Fund**

(a) The Trustee shall deposit, into the Surplus Fund, amounts provided under the section “Revenue Fund” and any other amounts delivered to it with written instructions to deposit the same in the Surplus Fund. Money in the Surplus Fund shall be applied each month, when needed, for the following purposes and in the following manner:

1. transferred to the Interest Account to pay interest on the 2021 Series A Bonds to the extent amounts on deposit in such Interest Account are insufficient therefor to make the required monthly deposit to such account;

2. transferred to a Principal Account to pay principal on the 2021 Series A Bonds to the extent amounts on deposit in such Principal Account are insufficient therefor to make the required monthly deposit to such account;

3. transferred to the Revenue Fund to the extent of any deficiency in the amounts needed to fully make all transfers from the Revenue Fund pursuant to the section “Revenue Fund” (other than to the Surplus Fund);

4. transferred to or upon the direction of the Borrower’s Representative for deposit into the Property Operating Account for the payment of Operating Expenses when the Borrower’s Representative certifies to the Trustee that there is not sufficient money in the Operating Fund or a Property Operating Account to pay Operating Expenses; and

5. pay any unpaid and due Administrative Expenses.

(b) On the first day of each month following the Closing Date through and including the first day of the month preceding the first Annual Evaluation Date, the Trustee shall disburse funds in the Surplus Fund in excess of the Surplus Fund Requirement to the Borrower. On the first day of the month after each Annual Evaluation Date through and including the first day of the month preceding the following Annual Evaluation Date, upon the Trustee’s receipt of the items in the following sentence, the Trustee shall disburse funds in the Surplus Fund in excess of the Surplus Fund Requirement to the Borrower. Following each Annual Evaluation Date the Trustee shall receive the following items from or on behalf of the Borrower prior to any release of funds as set forth in this section: (1) a certificate signed by the Borrower’s Representative stating that (a) the Borrower has satisfied the Coverage Test for the preceding Fiscal Year, upon which the Trustee may conclusively rely, (b) no Event of Default, or event which with the passage of time or the giving of notice or both would constitute an Event of Default, has occurred and is continuing and (c) the Debt Service Reserve Requirement and the Replacement Reserve Requirement have been fully
funded, (2) beginning after the second Annual Evaluation Date, financial reports and any other certificates required to have been delivered in the previous year as set forth in the Loan Agreement and (3) written direction of the Borrower representative that provides the payment instructions for such disbursements from the Surplus Fund.

(c) No additional amount shall be required to be deposited in the Surplus Fund pursuant to section (b)(9) under the heading “Revenue Fund” above or paid as an Additional Loan Payment pursuant to the Loan Agreement until the earlier of (a) the date that the balance of the Surplus Fund first meets or exceeds the Surplus Fund Requirement or (b) the date that is 365 days after the Closing Date May 7, 2021. Starting on the earlier of (a) the Surplus Fund balance first meeting or exceeding the Surplus Fund Requirement or (b) the date that is 365 days after the Closing Date May 7, 2021, the Borrower shall pay as Additional Loan Payments pursuant to the Loan Agreement, as applicable, the amount, if any, required to restore the amount on deposit in the Surplus Fund to the Surplus Fund Requirement and the Trustee shall disburse such amount from the Revenue Fund to the Surplus Fund pursuant to section 5.04(b)(9) under the heading “Revenue Fund” above.

(d) Within 30 days following each Principal Payment Date and on the date of issuance of any Additional Bonds pursuant to the Indenture, the Borrower shall provide to the Trustee a certificate signed by the Borrower’s Representative in substantially the form of an exhibit attached to the Indenture providing the calculation of the Surplus Fund Requirement.

Other Funds

The Indenture also provides for (a) a Special Redemption Account for the 2021 Series A Bonds (which shall be established only when needed), (b) a “Martel – Operating Account” and a “Parthenia – Operating Account” within the Repair and Replacement Fund, (c) a “Martel – Repair and Replacement Account” and a “Parthenia – Repair and Replacement Account” within the Operating Fund and (d) a “2021 Series A Projects Account” within the Project Fund. The purposes of such funds and the specific requirements related to each are described in “FORMS OF THE PRINCIPAL DOCUMENTS – The First Supplemental Trust Indenture” in Appendix A hereto under the caption “Creation of 2021 Series A Accounts.”

No Credit Enhancement Facility

THERE IS NO CREDIT ENHANCEMENT FACILITY SECURING ANY OF THE 2021 SERIES A BONDS AS INITIALLY ISSUED, NOR IS THERE ANY PROVISION FOR A CREDIT ENHANCEMENT FACILITY TO BE PROVIDED TO SECURE THE 2021 SERIES A BONDS FOLLOWING ISSUANCE OF THE 2021 SERIES A BONDS.

Other Covenants of the Borrower

Under the Loan Agreement, the Mortgages and the Tax Agreement, the Borrower is required to comply with certain other covenants and agreements. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Loan Agreement,” and “The Mortgages” in Appendix A hereto.

Issuance of Additional Bonds; Parity Indebtedness

So long as no Event of Default under the Indenture has occurred and is then continuing, the Authority, at the request of a Borrower’s Representative may, but shall not be required to (in the Authority’s sole and exclusive discretion), issue Additional Bonds for the purpose of (i) financing the costs of making such Modifications as the Borrower may deem necessary or desirable, (ii) financing the cost of completing any Modifications, (iii) refunding any Bonds, (iv) financing the cost of acquisition of Additional Projects and (v) in each such case, paying the costs of the issuance and sale of the Additional Bonds, paying capitalized or funded interest and such other costs reasonably related to the financing as shall be agree upon by the Borrower and the Authority. The terms of such Additional Bonds, the purchase price to be paid therefor, and manner in which the proceeds therefrom are to be disbursed shall be determined by the Borrower and the sale of any Additional Bonds shall be the sole responsibility of the Borrower. The Borrower and the Authority shall enter into an amendment to the Loan Agreement to provide for sufficient Basic Loan Payments in an amount at least sufficient to pay principal of, premium, if any, and interest on the Outstanding
Bonds including the Additional Bonds when due and to provide for any additional terms or changes to the Loan Agreement required because of such Additional Bonds. The Authority and the Trustee shall enter into such amendments or supplements to this Indenture as are required to effect the issuance of the Additional Bonds. An amount equal to any increase in the Debt Service Reserve Requirement attributable to issuance of the Additional Bonds shall be deposited in the Debt Service Reserve Fund at the time of delivery of the Additional Bonds.

As a condition for the issuance of Additional Bonds, there shall be filed with the Trustee a certification from the Borrower and pro forma calculations demonstrating that the Debt Service Coverage Ratio on all Outstanding Bonds for the relevant period would be equal to or greater than 1.20 to 1.00 after giving effect to the issuance of the Additional Bonds plus any Project Revenues and Operating Expenses of any Additional Projects to be purchased with proceeds of such Additional Bonds. Additional requirements for the issuance of Additional Bonds are discussed under “FORMS OF THE PRINCIPAL DOCUMENTS – The Indenture – Additional Bonds” in Appendix A hereto.

The Authority and Trustee have acknowledged that pursuant to the Loan Agreement, under certain circumstances the Borrower is permitted to incur Parity Indebtedness that is secured by a lien on and security interests in all or any portion of the Projects or the Project Revenues, secured on an equal and ratable basis with the then Outstanding Bonds under the Mortgages. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Loan Agreement – Other Indebtedness” in Appendix A hereto.

THE AUTHORITY

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

General Description

The Authority is a public body, corporate and politic established on June 2, 1938 by resolution of the City Council of the City of Los Angeles (the “City”) pursuant to the Housing Authorities Law of the State of California (Section 34200 et. seq. of the California Health and Safety Code) for the purpose of clearing, re-planning and reconstructing areas in the City in which unsanitary or unsafe housing conditions exist and providing safe and sanitary dwelling accommodations for persons of low income throughout the City.

The Authority provides the largest supply of low-income housing in the Los Angeles area. The Authority derives its revenues primarily from rents paid by tenants of housing operated by the Authority and its affiliates and funding through the U.S. Department of Housing and Urban Development (“HUD”). The Authority also maintains partnerships with the City and its departments and State of California agencies, nonprofit foundations, community-based organizations and private developers.

The Authority operates three major housing programs: conventional low-rent public housing, the Section 8 Program, including the Section 8 Housing Choice Voucher Program and Project-Based Section 8 Contract Administration, and non-public housing programs. As of December 31, 2020, the Authority owned or managed approximately 6,941 public and 2,434 non-public housing units located throughout the City. In addition, as of December 31, 2020, the Authority administered housing assistance payment contracts with respect to approximately 50,515 privately owned housing units under HUD’s Section 8 Housing Choice Voucher Program.

Board of Commissioners

The Authority is governed by a seven-member Board of Commissioners (the “Board”) that is responsible for policy, fiscal management and the appointment of the President and Chief Executive Officer. Five Commissioners serve four-year terms. Two Commissioners, who must be residents of the Authority’s housing projects, serve two-
year terms. There is no limit on the number of terms a Commissioner may serve. Below is a list of the current Board members, their titles and the dates of their first appointment to the Board.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>First Appointed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ben Besley</td>
<td>Chairperson</td>
<td>November 19, 2015</td>
</tr>
<tr>
<td>Noramay Cadena</td>
<td>Commissioner</td>
<td>December 14, 2016</td>
</tr>
<tr>
<td>Cielo Castro</td>
<td>Commissioner</td>
<td>December 15, 2017</td>
</tr>
<tr>
<td>Delfino De La Cruz Jr.</td>
<td>Commissioner</td>
<td>September 13, 2016</td>
</tr>
<tr>
<td>Lucelia Hooper</td>
<td>Commissioner</td>
<td>July 17, 2008</td>
</tr>
<tr>
<td>Daniel Tenenbaum</td>
<td>Commissioner</td>
<td>September 13, 2016</td>
</tr>
<tr>
<td>Ana Bryan</td>
<td>Commissioner</td>
<td>January 29, 2020</td>
</tr>
</tbody>
</table>

Organization

Daily operations of the Authority are conducted under the direction of the President and Chief Executive Officer. The Authority’s staff consists of approximately 900 full-time permanent employees. In addition, the Authority employs several hundred temporary employees, some of whom are residents of housing operated by the Authority. The staff of the Authority includes management, administrative and maintenance personnel who perform all property management functions necessary for the operation of the Authority’s public housing developments.

Principal members of the Authority’s staff are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Tenure at the Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Douglas Guthrie</td>
<td>President &amp; Chief Executive Officer</td>
<td>Joined the Authority in 2012</td>
</tr>
<tr>
<td>Marlene Garza</td>
<td>Chief Administrative Officer</td>
<td>Joined the Authority in 2012</td>
</tr>
<tr>
<td>Jenny Scanlin</td>
<td>Chief Strategic Development Officer</td>
<td>Joined the Authority in 2015</td>
</tr>
<tr>
<td>Margarita Lares</td>
<td>Chief Programs Officer</td>
<td>Joined the Authority in 2019</td>
</tr>
<tr>
<td>Marisela Ocampo</td>
<td>Housing Services Director</td>
<td>Joined the Authority in 2020</td>
</tr>
<tr>
<td>Tina Smith-Booth</td>
<td>Asset Management Director</td>
<td>Joined the Authority in 2001</td>
</tr>
<tr>
<td>Carlos VanNatter</td>
<td>Section 8 Director</td>
<td>Joined the Authority in 1986</td>
</tr>
<tr>
<td>James Johnson</td>
<td>General Counsel</td>
<td>Joined the Authority in 2018</td>
</tr>
</tbody>
</table>

Below are brief biographies of the individuals who serve as the key staff members of the Authority.

**Douglas Guthrie, President and CEO.** Mr. Guthrie was appointed as President and CEO of the Housing Authority of the City of Los Angeles in April 2012. Prior to this position he held the position of General Manager of the Los Angeles Housing Department. Prior to joining the Los Angeles Housing Department Mr. Guthrie most recently was President of Kimball Hill Urban Centers, a developer of large scale mixed use and mixed income housing developments. Mr. Guthrie also held various positions working for the City of Chicago under Mayor Harold Washington, including Chief Operating Officer of the Chicago Housing Authority and Deputy Housing Commissioner. Mr. Guthrie began his professional career working for the U.S. Department of Housing and Urban Development where he specialized in Model Cities, Urban Renewal and the Community Development Block Grant programs. He has spent his career working in the field of affordable housing and community development.

**Marlene Garza, Chief Administrative Officer.** Ms. Garza has worked in the non-profit and affordable housing industry for the past 22 years. First, as Chief Executive Officer of the Housing Right Center, she managed a legal services non-profit dedicated to housing discrimination investigations and litigation and landlord-tenant counseling. Then, as Assistant General Manager for Administration at the City of Los Angeles Housing Department (now Housing & Community Investment Department), she managed budgeting, accounting, and all other support functions. At HACLA since 2012, Ms. Garza served as Chief Financial Officer, overseeing all financial reporting and budgeting, before assuming a new role as Chief Administrative Officer in August of 2017.
Jenny Scanlin, Chief Strategic Development Officer. Ms. Scanlin has operated in the field of economic and community development over the past twenty-seven years of her career. Currently, Ms. Scanlin is the Chief Strategic Development Officer. Prior to landing at HACLA, Ms. Scanlin was the Assistant General Manager of Economic Development for the City of Los Angeles’ Economic and Workforce Development Department. She was the Regional Administrator for the Community Redevelopment Agency of Los Angeles’ Downtown, Eastside and Harbor Regions prior to the Agency’s dissolution and then acted as Senior Operations Officer for the Successor Agency to the Community Redevelopment Agency of Los Angeles, overseeing project management/compliance, disposition of all real property assets, planning and land use as well as the Public Art Program.

Margarita Lares, Chief Programs Officer. Ms. Lares joined HACLA’s executive team on October 1, 2018. As the Chief Programs Officer she is responsible for the oversight of HACLA’s major programs including Section 8-Housing Choice Voucher Program, Public Housing, and LA LOMOD’s Project-Based Section Contract Administration. These programs make HACLA the second largest public housing authority in the nation—with a total revenue of $1.4 billion. Prior to her employment with HACLA she held the position of Director at the Community Development Commission and Housing Authority of the County of Los Angeles for Section 8, affordable housing development and preservation (now named the Los Angeles County Development Authority – LACDA). Ms. Lares administered multiple programs and led large teams for 18 years. She was responsible for a staff of 260 employees and an operating budget exceeding $350 million. Prior to her career with the LACDA she worked in private and non-profit organizations in banking, healthcare, and university settings.

Tina Smith-Booth, Director of Asset Management. Ms. Smith-Booth has over 27 years of experience in residential and commercial real estate property and asset management and has served as the Director of Asset Management since August of 2009. Ms. Smith-Booth leads a team of management professionals and consultants who oversee the day-to-day activities of the Agency’s non-public housing portfolio valued at an estimated $325 million.

Marisela Ocampo, Housing Services Director. [Bio to be provided]

Carlos VanNatter, Director of Section 8. Mr. VanNatter has been with the Authority for 33 years and oversees the activities of the Authority’s Section 8 Housing Choice Voucher Program as well as its six different permanent supportive housing (PSH) programs, including HUD-Veterans Affairs Supportive Housing, Shelter Plus Care/Continuum of Care, Moderate Rehabilitation Single Room Occupancy, Project-Based Voucher, Waiting List Limited Preference (WL LP) Homeless and WL LP Tenant-Based Supportive Housing. These PSH programs house over 17,200 homeless and chronically homeless individuals and families from a variety of target populations, ranging from transition age youth and veterans to the elderly and disabled.

James Johnson, General Counsel. Mr. Johnson has been an attorney for fifteen years and has served in a variety of executive and legal roles for public agencies. He has served as HACLA’s General Counsel since October 2018, where he provides oversight and guidance over all legal initiatives, programs, and services. Prior to coming to HACLA he was an attorney for the County of Los Angeles, where he served as the Team Leader for the “Housing for Health” Team dedicated to helping house the homeless in Los Angeles County, as well as General Counsel for Rancho Los Amigos Hospital.

Special Limited Obligations

COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE
CITY, THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL
SUBDIVISION APPROVING THE ISSUANCE OF THE 2021 SERIES A BONDS, NOR THE FAITH AND
CREDIT OF THE AUTHORITY OR ANY AUTHORITY INDEMNIFIED PERSON, SHALL BE PLEDGED TO
THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THE 2021 SERIES A
BONDS OR ANY COSTS INCIDENTAL THERETO. THE AUTHORITY HAS NO TAXING POWER.

Other Obligations

The Authority has issued, sold and delivered in the past, and expects to issue, sell and deliver in the future,
obligations other than the 2021 Series A Bonds, which other obligations are and will be secured by instruments
separate and apart from the Indenture and the 2021 Series A Bonds. The holders of such other obligations of the
Authority will have no claim on the security for the 2021 Series A Bonds, and the owners of the 2021 Series A Bonds
will have no claim on the security for such other obligations issued by the Authority.

MUNICIPAL ADVISOR

The Authority has retained CSG Advisors Incorporated as its municipal advisor (the “Municipal Advisor”) in
connection with the offering of the 2021 Series A Bonds. The Municipal Advisor is not obligated to undertake, and
has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness,
or fairness of the information contained in this Official Statement. The Municipal Advisor will act as an independent
advisory firm and will not be engaged in the business of underwriting, trading or distributing the 2021 Series A Bonds.

THE BORROWER AND THE PROJECTS

The following information has been provided by the Borrower. None of the Authority, the Trustee or the
Underwriter has made any independent investigation regarding the information presented under this heading, nor
have such parties verified the accuracy or completeness thereof, and none of the Authority, the Trustee or the
Underwriter assumes any responsibility or liability therefor.

The Borrower

The Borrower is the Housing Opportunity Corporation, a nonprofit public benefit corporation duly organized
and existing under the laws of the State of California. The Borrower has no recent operating history and has no
financial statements. The sole assets of the Borrower are the Projects owned by it. The Borrower is and will continue
to be organized for the purpose of owning and operating the Projects. The Borrower does not intend to acquire any
substantial assets or engage in any substantial business activities other than those related to the ownership of the
Projects, however, the Borrower and its affiliated entities may engage in the acquisition, development, ownership and
management of similar types of housing projects and are permitted to compete with the Projects.

None of the directors, officers, members, managers, or employees of the Borrower will be personally liable for payments on the Note. Furthermore, no representation is made that the Borrower will have
substantial funds to meet operating deficits of the Projects should they occur. Accordingly, the financial statements of the Borrower have not been included in this Official Statement.

The Projects

The Projects consist of multifamily rental housing units located at seven different locations in Los Angeles,
California. All of the Projects and the income received from their ownership and operation have been pledged to
secure the repayment of the 2021 Series A Bonds. The following table sets forth a summary description of the Projects
and attached as Appendix C contains the basic financial statements and independent auditor’s reports for the years
ended December 31, 2018 and 2019, with respect to the Bella Vista Project, the Clemson-Corbett Project, the Laveta
Terrace Project, the Union Tower Project, and the Tobias Apartments Project (together, the “2020 Projects”). See
“State and Federal Funding” below for additional information as to housing subsidies and programs related to the
Properties.
Summary Description of the Properties

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Leasable Units</th>
<th>Project-Based Section 8 Units</th>
<th>Number of Buildings</th>
<th>Year Built</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bella Vista Project</td>
<td>98</td>
<td>0</td>
<td>1</td>
<td>2006</td>
</tr>
<tr>
<td>Clemson-Corbett Project</td>
<td>128</td>
<td>125</td>
<td>33</td>
<td>1948-54</td>
</tr>
<tr>
<td>Laveta Terrace Project</td>
<td>45</td>
<td>0</td>
<td>1</td>
<td>1985</td>
</tr>
<tr>
<td>Union Tower Project</td>
<td>200</td>
<td>199</td>
<td>1</td>
<td>1976</td>
</tr>
<tr>
<td>Tobias Apartments Project</td>
<td>27</td>
<td>0</td>
<td>1</td>
<td>2019</td>
</tr>
<tr>
<td>[Martel] Apartments Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>[Parthenia] Apartments Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bella Vista Project

Bella Vista Project consists of a 4-story, 98-unit courtyard style complex located at 12100 Sheldon Avenue in the Sun Valley neighborhood of the City. The Project was completed in 2006 on a 1.60-acre site. All the units are 4-bedroom, 2-bath units that range from 1,228 to 1,291 square feet of livable area. Two of the units are 2-story townhouse style units that consist of 1,643 square feet of livable area. The complex provides a gym, a recreation room and laundry rooms.

On September 12, 2003, the prior property owners entered into Covenant and Agreement #C-105647 with the City of Los Angeles that stipulated that the 98 units will be rented to 9 very-low and 89 low-or-moderate income households. This arrangement allowed approximately 11 more units than would be allowed under the R3 zoning as well as a reduced parking variance. Under the arrangement with the City, 196 parking spaces are required but 182 parking spaces are provided.

The 9 very-low-income units can receive rental rates that are thirty percent (30%) of fifty percent (50%) of the Area Median Income. The 89 remaining low-to-moderate income units can receive rental rates that are thirty percent (30%) of one hundred twenty percent (120%) of the Area Median Income. Existing rents for the units range from $1,366 to $2,400 per month and currently, no rent increases are expected. Since the acquisition of Bella Vista Project in June 2008, the average occupancy rate has been 94.3%. See “State and Federal Funding” below for a discussion of housing program waitlists maintained by the Authority.

Bella Vista Project is located 15 miles northwest of the downtown Los Angeles central business district. The area consists primarily of industrial market which was originally developed in the early 1900s. The land use in the area west of San Fernando Road is primarily residential, with the balance being industrial, used for heavy manufacturing, light manufacturing, research and development, distribution, automotive, retail and other uses. It is estimated that less than 1% of the land is vacant and available for residential development.

On June 16, 2008, the Authority entered into a short-term loan arrangement with Bank of America, N.A., to finance the acquisition costs of the Bella Vista Project. The Authority acquired Bella Vista Project on June 16, 2008 at a purchase price of $23,000,000. Based on a Physical Needs Assessment prepared by EMG Corp. (“EMG”), the replacement value of the Bella Vista Project as of August 24, 2019 is approximately $36,220,800.

In August 2019, EAH, an outside property management company, was selected through a request for proposal process pursuant to federal and state law to manage Bella Vista Project and perform operations and maintenance.

Audited financial statements for the Bella Vista Project are provided in Appendix C, “HISTORICAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 2018 AND 2019 – BELLA VISTA PROJECT (AUDITED); CLEMSON-CORBETT PROJECT (AUDITED); LAVETA TERRACE PROJECT (AUDITED); UNION TOWER PROJECT (AUDITED; TOBIAS PARTMENTS PROJECT (AUDITED).”
Clemson-Corbett Project

Clemson-Corbett Project is a 272-unit condominium complex located at 3443 and 3453 Carmona Street, 5602 - 5793 Clemson Street, and 5600 - 5792 Corbett Street in the Baldwin Hills neighborhood of the City. Of the total number of the condominium units at the sites, the Authority owns 128 units and leases 128 of such units. The Property was completed in 1954. The Property has two unit types: 28 units that are 1-bedroom, 1-bath, and 100 units that are 2-bedroom, 1-bath, that range from 522 to 711 square feet of livable area. The Property also includes 128 parking spaces. Existing rents for the units range from $819 to $1,791.

Pursuant to a certain Cooperation Agreement between the Authority and the Los Angeles County Development Authority, Section 8 Housing Assistance Payment Program subsidies are administered by the Los Angeles County Development Authority with respect to 125 units, with the remaining three units rented to marccrate households. These units have been further allocated to elderly or disabled and low-income families under that Cooperation Agreement. The average occupancy rate in 2019 was 97.43%. The audited financial statements reflect operating results of all 128 leasing units. A site-based waiting list is maintained at the Clemson-Corbett project has currently contains over 200 applicants.

Clemson-Corbett Project is 8 miles southwest of the downtown Los Angeles central business district. The area consists primarily of older residential properties in a completely built-up neighborhood.

The Authority acquired Clemson-Corbett Project in September 1975, at the purchase price of $1,280,000. Based on a Physical Needs Assessment prepared by EMG, the replacement value of the Clemson-Corbett Project as of October 2, 2019 is approximately $22,046,000.

In August 2019, EAH, an outside property management company, was selected through a request for proposal process pursuant to federal and state law to manage Clemson-Corbett Project and perform operations and maintenance.

Audited financial statements for the Clemson-Corbett Project are provided in Appendix C, "HISTORICAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 2018 AND 2019 – BELLA VISTA PROJECT (AUDITED); CLEMSON-CORBETT PROJECT (AUDITED); LAVETA TERRACE PROJECT (AUDITED); UNION TOWER PROJECT (AUDITED); TOBIAS APARTMENTS PROJECT (AUDITED)."

Laveta Terrace Project

Laveta Terrace Project consists of a 3-story, 45-unit complex located at 666 and 668 Laveta Terrace in the Echo Park neighborhood of the City. The Property was completed in 1985 on a 39,140 square foot site. The Property has three unit types: 28 units that are 2-bedroom, 1-bath, 8 units that are 2-bedroom, 2-baths, 6 units that are 3-bedroom, 2.5-baths and 2 studio units that range from 1,000 to 1,215 square feet of livable area. The Property also includes 54 subterranean parking spaces. Existing rents for the units range from $694 to $2,778 and currently, 2% rent increases are expected. The average occupancy rate in 2019 was 99.3%.

Laveta Terrace Project is 1.5 miles north of the downtown Los Angeles central business district. The area consists primarily of older residential properties in a completely built-out neighborhood.

The Authority acquired Laveta Terrace Project on November 9, 2006, at a purchase price of $7,700,000. Based on a Physical Needs Assessment prepared by EMG, the replacement value of the Laveta Terrace Project as of October 1, 2019 is approximately $11,904,800.

In August 2019, EAH, an outside property management company, was selected through a request for proposal process pursuant to federal and state law to manage Laveta Terrace Project and perform operations and maintenance.

Audited financial statements for the Lavetta Terrace Project are provided in Appendix C, "HISTORICAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 2018 AND 2019 – BELLA VISTA PROJECT (AUDITED); CLEMSON-CORBETT PROJECT (AUDITED); LAVETA TERRACE PROJECT (AUDITED); UNION TOWER PROJECT (AUDITED); TOBIAS APARTMENTS PROJECT (AUDITED)."
Union Tower Project

Union Tower Project is a 200-unit Section 8 housing project located at 455 S. Union Avenue in the Mid-Wilshire neighborhood of the City. The Property was completed in 1976 on a 54,600 square foot site. All the units at the Property are 1-bedroom, 1-bath, that have 529 square feet of livable area. The Property also includes 48 parking spaces.

The Authority entered into a Housing Assistance Payments Contract ("HAP Contract"), with the U.S. Department of Housing and Development. The HAP Contract is subject to annual renewal and facilitates Section 8 housing assistance payments to the Authority for eligible families living in the Union Tower Project. The current annual renewal will expire on March 1, 2021. Effective March 1, 2019, the rent was increased to $1,587. The average occupancy rate in 2019 has been 99.1%. A site-based wait list is maintained at the Union Tower Project that currently contains over 2,300 applicants.

Union Tower Project is less than 2 miles west of the downtown Los Angeles central business district. The area consists primarily of older residential and commercial properties in a completely built-up neighborhood.

The Authority acquired Union Tower Project in March 1977, at the purchase price of approximately $5,700,000. Based on a Physical Needs Assessment prepared by EMG, the replacement value of the Union Tower Project as of October 2, 2019 is approximately $51,117,000.

In August 2019, WSH, an outside property management company, was selected through a request for proposal process pursuant to federal and state law to manage Union Tower Project and perform operations and maintenance.

Audited financial statements for the Union Tower Project are provided in Appendix C, "HISTORICAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 2018 AND 2019 – BELLA VISTA PROJECT (AUDITED); CLEMSON-CORBETT PROJECT (AUDITED); LAVETA TERRACE PROJECT (AUDITED); UNION TOWER PROJECT (AUDITED); TOBIAS APARTMENTS PROJECT (AUDITED)."

Tobias Apartments Project

Tobias Apartments Project is a 27-unit housing project located at 8715 Tobias Avenue in Los Angeles, California. The Property was completed in 2019 on a 28,940 square foot site. The Project contains 4 one-bedroom and one-bath units, 16 two-bedroom and two-bath units and 7 three-bedroom and two-bath units. Units feature a living area, kitchen and dining area. The Property also includes 46 parking spaces.

The Borrower acquired the Tobias Apartments Project on or around May 8, 2020, at the purchase price of approximately $9,100,000. Tobias Apartments Project is insured at $9,100,000.

EAH manages Tobias Apartments Project and perform operations and maintenance.

Audited financial statements for the Clemson-Corbett Project are provided in Appendix C, "HISTORICAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 2018 AND 2019 – BELLA VISTA PROJECT (AUDITED); CLEMSON-CORBETT PROJECT (AUDITED); LAVETA TERRACE PROJECT (AUDITED); UNION TOWER PROJECT (AUDITED); TOBIAS APARTMENTS PROJECT (AUDITED)."

Martel Apartments Project

Martel Apartments Project is a #-unit housing project located at 1643 N. Martel Avenue in Los Angeles, California. The Property was completed in [YEAR] on a [#] square foot site. The Project contains _ one-bedroom and one-bath units, _ two-bedroom and two-bath units and _ three-bedroom and two-bath units. Units feature a [living area, kitchen and dining area]. The Property also includes _ parking spaces.

The Borrower plans to acquire the Martel Apartments Project on or around [DATE], at the purchase price of approximately $________. On or before the Closing Date, the Martel Apartments Project will be insured at $________.
Upon closing of escrow, [EAH, an outside property management company] selected through a request for proposal process pursuant to federal and state law, will manage Martel Apartments Project and perform operations and maintenance.

The following table provides a pro forma summary statement of revenues and expenses related to the [Martel] Apartments Project for 2020.

**MARTEL APARTMENTS PROJECT**  
Summary Statement of Revenues and Expenses  
Period of January 1, 2020 to December 31, 2020

<table>
<thead>
<tr>
<th></th>
<th>Projected Annualized 2020 Result(1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operation revenues:</strong></td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>$</td>
</tr>
<tr>
<td>Utilities</td>
<td>$</td>
</tr>
<tr>
<td>Ordinary maintenance and operations</td>
<td>$</td>
</tr>
<tr>
<td>Protective services</td>
<td>$</td>
</tr>
<tr>
<td>General expense</td>
<td>$</td>
</tr>
<tr>
<td>Extraordinary maintenance</td>
<td>$</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$</td>
</tr>
<tr>
<td><strong>Net operating income (loss)</strong></td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-operating revenues (expenditures):</strong></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>$</td>
</tr>
<tr>
<td>Front line costs</td>
<td>$</td>
</tr>
<tr>
<td>Interest expense</td>
<td>$</td>
</tr>
<tr>
<td>Depreciation</td>
<td>$</td>
</tr>
<tr>
<td><strong>Net non-operating revenue (loss)</strong></td>
<td>$</td>
</tr>
</tbody>
</table>

Source: The Authority.  
(1) Unaudited numbers are based on pro-forma financial results as provided by the current owner for the year ending December 31, 20__.

**Parthenia Apartments Project**

Parthenia Apartments Project is a #-unit housing project located at 15230 Parthenia Street in Los Angeles, California. The Property was completed in [YEAR] on a [#] square foot site. The Project contains ___ one-bedroom and one-bath units, ___ two-bedroom and two-bath units and ___ three-bedroom and two-bath units. Units feature a [living area, kitchen and dining area]. The Property also includes ___ parking spaces.

The Borrower plans to acquire the Parthenia Apartments Project on or around [DATE], at the purchase price of approximately $________. On or before the Closing Date, the Parthenia Apartments Project will be insured at $______.
Upon closing of escrow, [EAH, an outside property management company] selected through a request for proposal process pursuant to federal and state law, will manage [NEW] Apartments Project and perform operations and maintenance.

The following table provides a pro forma summary statement of revenues and expenses related to the Parthenia Apartments Project for 2020.

**PARTHENIA APARTMENTS PROJECT**
Summary Statement of Revenues and Expenses
Period of January 1, 2020 to December 31, 2020

<table>
<thead>
<tr>
<th>Projected Annualized 2020 Result(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation revenues:</td>
</tr>
<tr>
<td>Rental income</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total operating revenues</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Operating expenses:</td>
</tr>
<tr>
<td>Administrative</td>
</tr>
<tr>
<td>Utilities</td>
</tr>
<tr>
<td>Ordinary maintenance and operations</td>
</tr>
<tr>
<td>Protective services</td>
</tr>
<tr>
<td>General expense</td>
</tr>
<tr>
<td>Extraordinary maintenance</td>
</tr>
<tr>
<td>Total operating expenses</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Net operating income (loss)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Non-operating revenues (expenditures):</td>
</tr>
<tr>
<td>Interest Income</td>
</tr>
<tr>
<td>Front line costs</td>
</tr>
<tr>
<td>Interest expense</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>Net non-operating revenue (loss)</td>
</tr>
</tbody>
</table>

Source: The Authority.
\(^{(1)}\) Unaudited numbers are based on pro-forma financial results as provided by the current owner for the year ending December 31, 20__.

**Financial Operations of the Properties**

The revenues and expenditures set forth on the following table have been developed from the unaudited financial statements of the Properties for the period of January 1, 2020 to December 31, 2020, [excluding the Martel Apartments Project and the Parthenia Apartments Project]. The coverage of the estimated debt service and related expenses for the 2021 Series A Bonds is based on the unaudited actual operating results for Bella Vista Project, the Clemson-Corbett Project, the Laveta Terrace Project, the Union Tower Project and the Tobias Apartments Project.

The estimates used by the Authority with respect to future operating revenues and operating expenses are based on historical performance of each of the 2020 Projects and the Authority’s judgment and assumptions concerning future operations that it believes are relevant and accurate. However, it is possible that assumed circumstances will not materialize, that anticipated events may not occur or may have unanticipated results and that unanticipated events may occur to cause future operating revenues and operating expenses to vary materially from
their current amounts. Certain other factors may affect the financial performance of the 2020 Projects based on present circumstances. See “RISK FACTORS” herein.

THE PROJECTS
Consolidated Summary Statement of Revenues and Expenses
Period of January 1, 2020 to December 31, 2020

<table>
<thead>
<tr>
<th>Unaudited 2020(1)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation revenues:</td>
<td></td>
</tr>
<tr>
<td>Rental income</td>
<td>$7,955,016.98</td>
</tr>
<tr>
<td>Other</td>
<td>80,123.85</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$8,035,140.83</td>
</tr>
<tr>
<td>Operating expenses:</td>
<td></td>
</tr>
<tr>
<td>Administrative</td>
<td>$1,609,660.41</td>
</tr>
<tr>
<td>Utilities</td>
<td>966,740.63</td>
</tr>
<tr>
<td>Ordinary maintenance and operations</td>
<td>847,929.76</td>
</tr>
<tr>
<td>Protective services</td>
<td>120,818.65</td>
</tr>
<tr>
<td>General expense</td>
<td>206,618.42</td>
</tr>
<tr>
<td>Extraordinary maintenance</td>
<td>118,032.84</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$3,869,800.71</td>
</tr>
<tr>
<td>Net operating income (loss)</td>
<td>$4,165,340.12</td>
</tr>
<tr>
<td>Nonoperating revenues and (expenses):</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>$120,734.70</td>
</tr>
<tr>
<td>Front line costs(2)</td>
<td>(702,891.45)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(1,620,445.00)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(802,867.95)</td>
</tr>
<tr>
<td>Net nonoperating income (loss)</td>
<td>$1,159,870.42</td>
</tr>
</tbody>
</table>

(1) Unaudited actual financial results as of October 31, 2020.
(2) Represents certain administrative costs of the Authority directly allocated to the Bella Vista Project, the Clemson-Corbett Project, the Laveta Terrace Project, the Union Tower Project and the Tobias Apartments Project. These costs are incurred and reimbursed to the Authority only if net revenues are available for such reimbursement.

Net operating income for 2020 of $____________ as shown above and a maximum annual debt service on the 2021 Series A Bonds of $_________ results in an estimated debt service coverage of [2.50 to 1.00]. See “RISK FACTORS” for a discussion of risk factors affecting the operation of the Properties.

State and Federal Funding

One source of income to the Authority is an assignment of rents received from the ownership and operation of the Properties that may include Section 8 voucher payments and/or subsidies from other federal housing programs provided either to the Authority as the owner of the Properties or to the tenants at the Properties. Under various federal housing acts, HUD provides assistance to low income persons and families through Section 8 housing choice vouchers and provides housing assistance payments directly to participating owners, including the Authority.

Pursuant to a certain Cooperation Agreement between the Authority and the Los Angeles County Development Authority, Section 8 Housing Assistance Payment Program subsidies are administered by the Los Angeles County Development Authority for 125 of the 128 leasable units at the Clemson-Corbett Project. In addition, the Union Tower Project is a project-based Section 8 housing program and 199 of the 200 leasable units at the Union
Tower Project are subject to the HAP Contract as described in “Union Tower Project” above. [INSERT HAP INFO FOR NEW PROJECTS IF APPLICABLE].

The Authority maintains several waitlists related to its housing programs, including the Conventional Housing Waitlist and the Section 8 Tenant-Based Vouchers Waitlist. The Clemson-Corbett Project maintains its own waitlist that currently includes more than 200 applicants. The Union Tower Project maintains its own waitlist that includes more than 2,300 applicants currently. [INSERT WAITLIST INFO FOR NEW PROJECTS].

The Authority’s Section 8 Tenant-Based Vouchers Waitlist currently contains over 13,000 applicants for qualification under the Housing Choice Voucher Program (Section 8). Recipients of Section 8 vouchers would be eligible to apply for tenancy at the remaining units of the Properties described in this Official Statement, as well as units at other housing programs currently operated by the Authority. Such Section 8 voucher recipients could also apply for other HUD qualified housing available in the area. In each case, Section 8 vouchers would subsidize housing expenses of the qualified tenant.

Limitation on Obligations of the Borrower

The obligations of the Borrower under the Loan Agreement, the Note and the Mortgages are payable solely from Project Revenues and the Funds and Accounts created under the Indenture (except as specifically set forth therein), without recourse to the assets of any other person or entity. The Borrower’s obligations to make Loan Payments with respect to the Bonds are limited recourse obligations of the Borrower; as a result, holders of the Bonds will have recourse only to the Funds and Accounts created under the Indenture (except as specifically set forth therein), the sites of the Projects, the Projects and the other equipment and personal property secured under the Mortgages to satisfy the obligations of the Borrower with respect to the Bonds. No other revenues or assets of the Borrower will be available for the payment of, or as security for, the Bonds. No representation is made that the Borrower will have funds available sufficient to make payments due pursuant to the Loan Agreement. Accordingly, the Borrower’s financial statements are not included in this Official Statement.

The Property Manager

EAH and WSH currently operate and manage the 2020 Projects (together, the “Property Manager”). EAH currently manages a total of approximately 8,604 units in California and Hawaii. WSH currently manages a total of 3,233 units throughout California. EAH is headquartered in San Rafael, California, with a local office in Tarzana, California, and WSH is headquartered in Irvine, California.

The following is a list of the Property Manager’s management portfolio:

**EAH, Inc.**

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Number of Communities</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Market Rate</td>
<td>19</td>
<td>1,153</td>
</tr>
<tr>
<td>LIHTC (Tax Credit/HOME)</td>
<td>71</td>
<td>5,909</td>
</tr>
<tr>
<td>HUD – Section 8</td>
<td>22</td>
<td>1,542</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112</strong></td>
<td><strong>8,604</strong></td>
</tr>
</tbody>
</table>

**WSH Management, Inc.**

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Number of Communities</th>
<th>Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional Market Rate</td>
<td>4</td>
<td>504</td>
</tr>
<tr>
<td>LIHTC (Tax Credit/HOME)</td>
<td>38</td>
<td>2,799</td>
</tr>
<tr>
<td>HUD – Section 8</td>
<td>1</td>
<td>71</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43</strong></td>
<td><strong>3,374</strong></td>
</tr>
</tbody>
</table>
Management Agreements. The Borrower will amend the current Management Agreements with the Property Manager to include [the Martel Apartments Project and the Parthenia Apartments Project].

On a monthly basis, the Borrower will pay its Property Manager (a) 5.25% of monthly gross receipts of the Bella Vista Project, (b) 5.25% of monthly gross receipts of the Clemson-Corbett Project, (c) 5.25% of monthly gross receipts of the Laveta Terrace Project, (d) 4.5% of monthly gross receipts of the Union Tower Project, and (e) 5.25% of monthly gross receipts of the Tobias Apartments Project.

No Person shall be engaged by the Borrower as a replacement manager unless, such Person or a principal officer (or in the case of a limited liability company, manager) thereof (a) shall have at least five years of demonstrated experience in the management and leasing of affordable residential housing facilities, including having (or in the case of such an officer or manager, overseeing) not less than 250 units under management and (b) have its employees bonded for not less than the $500,000 as required by the Loan Agreement.

Prior Operating Histories

The Borrower has provided, with respect to the 2020 Projects, audited financial statements for the fiscal years ended December 31, 2018 and 2019. See Appendices C herein. Neither the Underwriter nor the Borrower makes any representations as to the accuracy or completeness of such financial statements. No assurance can be given that the prior operating revenues from any of the Projects or operating expenses of any of the Projects as set forth in these unaudited and audited financial statements will be consistent with those historically experienced.

Physical Needs Assessments

The Authority has obtained independent physical condition reports for the Projects (collectively, the “Physical Needs Assessments” and each a “Physical Needs Assessment”) as further described below. The following discussions of Physical Needs Assessments do not include descriptions of deficiencies that are classified by the preparers of such assessments as cosmetic, routine or normal preventative maintenance or considered to cost less than $1,000 per item.

Prospective purchasers of the 2021 Series A Bonds may obtain a copy of the Physical Needs Assessments upon request to the Underwriter during the initial offering period for the 2021 Series A Bonds. The following summaries do not purport to be complete or definitive and are qualified in their respective entirety by reference to the full Physical Needs Assessments. On the basis of such Physical Needs Assessments, the Borrower intends to use a portion of the proceeds of the 2021 Series A Bonds in the aggregate amount of approximately $______, to address the immediate and short-term repair needs of the 2021 Series A Projects. The Authority facilitated the performance of, and paid the fees associated with, such Physical Needs Assessments. See “ESTIMATED SOURCES AND USES OF FUNDS.” The costs of physical needs stated on a per unit basis in the following discussion have been rounded up or down (as applicable) to the nearest dollar.

Martel Apartments Project Needs Assessment. EMG prepared a Property Condition Report for the Martel Apartments Project dated [DATE]. The Physical Needs Assessment concluded that the Martel Apartments Project is in [good] physical condition and identified the following needs: $______ in immediate repairs ($______ per unit) and $______ in accessibility repairs ($______ per unit).

Parthenia Apartments Project Needs Assessment. EMG prepared a Property Condition Report for the Parthenia Apartment Project dated [DATE]. The Physical Needs Assessment concluded that the Parthenia Apartments Project is in [good] physical condition and identified the following needs: $______ in immediate repairs ($______ per unit) and $______ in accessibility repairs ($______ per unit).

Insurance

Under the Loan Agreement, the Borrower is required to maintain insurance against loss or damage to the improvements by fire and other risks covered by fire and extended coverage insurance in an amount not less than the greater of the full replacement cost of the improvements and personal property or the outstanding principal amount of
the 2021 Series A Bonds, with a deductible of $50,000 for any casualty; business interruption or loss of rent insurance in amounts sufficient to make all payments due under the Loan Agreement and the Note during any twelve-month period, or the gross amount of annual rentals projected (or, if greater, actual) for the Projects, and (or, if greater, actual) occupancy of the Projects; provided that such coverage shall be increased annually on each anniversary date of the policy to comply with the Loan Agreement; comprehensive general liability insurance on an occurrence basis against claims for personal injury, including bodily injury, death or property damage; workers' compensation insurance; during the construction or repair of improvements on the Projects, builders' completed value risk insurance against all risks of physical loss; boiler and machinery insurance; flood insurance if the Projects are in an area identified as a special flood hazard area; and such other insurance as may from time to time be reasonably required by the Trustee, in such amounts and against such hazards and risk, as is commonly obtained by prudent owners of property similar in use as to the Projects and in the respective areas in which the Projects are located.

Any policies of insurance will contain an endorsement or agreement by the insurer that any loss will be payable in accordance with the terms of such policy notwithstanding any act or negligence of the Borrower, which might otherwise result in forfeiture of such insurance, and the further agreement of the insurer waiving all rights of set-off, counterclaim or deductions against the Borrower.

APPRAISALS

The Martel Apartments Project and the Parthenia Apartments Project have been appraised (the "Appraisal") by [Michael Popwell Associates, Inc.], as independent appraiser selected by the Authority (the "Appraiser"). The Appraisal is attached hereto as Exhibit E. The Appraisal includes information regarding the procedures utilized in preparing the Appraisal and the underlying general assumptions and limiting conditions. The conclusions and much of the other information included in the Appraisal is based on the assumptions and rationale stated therein. In some instances, the currently available information may be incomplete, may not necessarily disclose all material facts that might affect the Martel Apartments Project or the Parthenia Apartments Project, and, in any case, may change after the date of the Appraisal. Accordingly, the assumptions and other information in the Appraisal should be carefully evaluated by a prospective investor in the light of the circumstances then prevailing.

Appraisals, by their nature, are based on the judgment of the respective appraisers, represent only estimates of value and should not be relied upon as a measure of realizable value. The Appraisal is dated as of its date. There can be no assurance that information set forth therein continues to be accurate in all respects as of the date hereof. In any event, the accuracy of the Appraisal is dependent upon the occurrence of specified assumptions and other future events which cannot be assured, and therefore, the actual results achieved will vary from the forecasts, and the variation may be material.

Information taken from the Appraisal prepared by the Appraiser should be evaluated within the context of the related full narrative report. Information presented out of the context of the full narrative report may be misleading. There is no assurance that the "as is values" set forth in the Appraisal would be realized in the event of the foreclosure or forced sale of the Martel Apartments Project or the Parthenia Apartments Project.

The Appraiser determined as of [DATED] the market value of the fee simple interest of (i) the Martel Apartments Project "as is" to be $________ and (ii) the Parthenia Apartments Project "as-is" to be $________.

SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM

The following is a summary description of the effect on the Projects of the Housing Assistance Payments Program provided by Section 8 of the U.S. Housing Act and regulations thereunder and is qualified in its entirety by reference thereto. [Update as needed with New Project information]

The Administrator for the Clemson-Corbett HAP Contract and the Union Tower HAP Contract [and New Project[s]] is the Los Angeles, California office of HUD. The Administrator for each HAP Contract makes monthly Housing Assistance Payments to the Borrower party to such HAP Contract covering the difference between the rents established by HUD for units in such Project (the "Contract Rents") and the Tenant Rents. The Contract Rents for the Projects are approved by HUD and are subject to adjustment. See "Adjustments in Contract Rents" below.
"Eligible Tenants" means tenants for HAP Units whose income does not exceed 60% of AMI.

The HAP Contracts

Each HAP Contract is executed by HUD and the Borrower following a determination that the Project subject thereto had been completed in accordance with the requirements of the agreement to enter into such HAP Contract. The Borrower has covenanted to exercise all renewal options under the HAP Contracts. There is no assurance that the HAP Contracts (or any of them) will be extended or renewed by HUD after their respective expirations. However, current law requires HUD to renew existing HAP contracts upon an owner’s request, to the extent the owner and the project are in compliance with applicable HUD requirements and to the extent that sufficient funds have been appropriated by Congress for such purpose. After expiration of each HAP contract, HUD may provide Section 8 tenant-based rental assistance to all Eligible Tenants at such project, enabling them to choose the unit they wish to rent. This may or may not include the Projects. Alternatively, low income tenants will have to qualify separately for other governmental programs, if any, then in effect, or the related Borrower will have to find tenants able to pay market rents if such Project is to remain viable. Each Borrower must comply with certain notice provisions prior to initiating an eviction or increasing the Tenant Rents at the Project it owns.

Eligible Tenants

Under each HAP Contract, the responsible Administrator is to make monthly Housing Assistance Payments with respect to each Section 8 Unit in the Project subject to such HAP Contract occupied by an Eligible Tenant depending on the income of the tenant as computed under HUD regulations. Under certain circumstances, otherwise Eligible Tenants may be excluded from participation or evicted from a Project. With respect to vacant Section 8 Units in a Project, the responsible Administrator, for a period of sixty days, is to make Housing Assistance Payments equal to 80% of the applicable Contract Rent (less money from other sources, such as security deposits, applied thereto); provided that, in the case of units vacant on the effective date of a HAP Contract or fifteen days thereafter, the Borrower which is the party to such HAP Contract has theretofore made specified renting efforts and that, in other cases, the Borrower follows specified eviction and renting procedures.

Adjustments in Contract Rents

Each HAP Contract provides for certain adjustments in Contract Rents. The responsible Administrator, in accordance with the requirements set forth by HUD, adjusts the Contract Rents yearly. In some cases, the yearly adjustment may result in an increase in Contract Rents. No assurance can be given, however, that any such increases in Contract Rents will be sufficient to compensate for increased operating expenses of the Projects or any of them. See “RISK FACTORS AND INVESTMENT CONSIDERATION – Housing Assistance Payment Risks” herein.

Abatement of Housing Assistance Payments

At each Project, the Borrower and each Eligible Tenant thereof must inspect the proposed dwelling unit for such tenant and determine it to be decent, safe and sanitary under the criteria established by HUD. The responsible Administrator must inspect each unit within the Projects in accordance with the applicable HUD Real Estate Assessment Center (“REAC”) protocols for inspections. If the responsible Administrator notifies the Borrower that it has failed to maintain a dwelling unit in decent, safe and sanitary condition at the Project owned by the Borrower and the Borrower fails to take corrective action within the time prescribed in the notice, such Administrator may exercise any of its rights or remedies under the related HAP Contract, including the abatement of Housing Assistance Payments thereunder even if the Eligible Tenant continues to occupy the abated unit. Under certain circumstances the responsible Administrator may use the abated housing assistance payments to re-house an Eligible Tenant residing in the abated unit.

Default; Remedies upon Default

In addition to maintaining the related Project so as to provide decent, safe and sanitary housing, each HAP Contract imposes requirements regarding nondiscrimination in housing, provision of opportunities for training and employment of lower income residents of such Project and awarding of contracts for such Project work to businesses
located in, or owned in substantial part by residents of, such Project area, equal opportunity compliance and clean air and water pollution regulations.

If the responsible Administrator determines that the Borrower violates or fails to comply with any provision of or obligation under the HAP Contract to which it is a party or any lease to tenants or asserts or demonstrates an intention not to perform some of or all its obligations under such HAP Contract or any lease to tenants, the responsible Administrator is to notify the Borrower and HUD of (1) the nature of the default, (2) the actions to be taken and the remedies to be applied on account of the default (including the abatement of Housing Assistance Payments), and (3) the time within which the Borrower must respond with a showing that all such actions have been taken. If the Borrower fails to respond or to take satisfactory action, the responsible Administrator may terminate such HAP Contract or take other corrective action to achieve compliance in its discretion or as directed by HUD. In the event of a foreclosure, or an assignment or sale of a Project in lieu of foreclosure, or in the event of assignment or sale of such Project agreed to by the responsible Administrator and approved by HUD (which approval is required not to be unreasonably delayed or withheld), Housing Assistance Payments are to continue in accordance with the terms of the related HAP Contract.

Possible Changes to Section 8 Program

There are numerous recent proposals, both by HUD and in Congress, to restructure HUD and to modify the Section 8 program. No assurance can be given as to the effect of any future legislative or administrative changes upon HUD or the Section 8 program. Any decrease in the Contract Rents payable under the HAP Contracts would reduce the revenues of the Projects and could affect, perhaps materially, the ability of the Borrower to make required payments on the Note. Section 8 program funding and Contract Rents are contingent upon Congressional appropriations on a continuing basis.
ESTIMATED SOURCES AND USES OF FUNDS

The Borrower expects the proceeds of the 2021 Series A Bonds and certain equity funds to be provided to be used and applied in the following manner:

<table>
<thead>
<tr>
<th>Sources of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 Series A Bonds</td>
<td>$11,500,000</td>
</tr>
<tr>
<td>2021 Series A Bonds Net Premium/Discount</td>
<td></td>
</tr>
</tbody>
</table>

Other Sources of Funds

<table>
<thead>
<tr>
<th>Uses of Funds:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Project Fund</td>
<td>$</td>
</tr>
<tr>
<td>Deposit to Escrow Fund</td>
<td>$</td>
</tr>
<tr>
<td>Deposit to Debt Service Reserve Fund</td>
<td></td>
</tr>
<tr>
<td>Deposit to Repair and Replacement Fund</td>
<td></td>
</tr>
<tr>
<td>Costs of Issuance</td>
<td></td>
</tr>
<tr>
<td>Underwriter’s Discount</td>
<td></td>
</tr>
<tr>
<td>Total Uses of Funds</td>
<td>$</td>
</tr>
</tbody>
</table>

RISK FACTORS AND INVESTMENT CONSIDERATIONS


In order to identify risk factors and make an informed investment decision, prospective investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto, the documents describing the transactions, the third-party reports with respect to the Projects and the documents relating to the formation and organization of the Borrower) and review the actual documents (the forms of which are attached to this Official Statement in Appendix A) to make a judgment as to whether the 2021 Series A Bonds are an appropriate investment for the investor. Moreover, the order of presentation of the risk factors does not necessarily reflect the order of their importance.

Special Limited Obligations of Authority


Limited Resources of Borrower; Security for Repayment

The Borrower was originally formed in 1975 and subsequently renamed and reorganized in 2020. The Borrower’s only asset is its interest in the respective Projects. As a result, the Borrower’s sole source of funds with which to pay its obligations under the Loan Agreement and Note is the revenue generated by the operation of the respective Projects. There can be no assurance that such amounts will be sufficient to repay the Borrower’s obligations with respect to the 2021 Series A Bonds. No other revenues or assets of the Borrower will be available for the payment of, or as security for, the 2021 Series A Bonds.

The security for the 2021 Series A Bonds (subject to Permitted Encumbrances) will consist entirely of (a) all right, title and interest of the Authority in and to the Note, the Mortgages and the Loan Agreement (other than the Unassigned Rights), including the proceeds thereof or recovery thereon, including the Trustee’s interest in the HAP Contracts; (b) all interests, including money and securities and interest earnings, from time to time held by the Trustee under the terms of the Indenture or Borrower’s Documents, including the Trustee’s interest in the HAP Contracts, (except with respect to money in the Rebate Fund) and any interest, profits and other income derived from the investment thereof, including the proceeds of the 2021 Series A Bonds, subject to the application thereof in accordance with the Indenture, including Net Proceeds; (c) any and all other rights and interests in property conveyed, mortgaged, pledged, assigned or transferred as and for additional security for the 2021 Series A Bonds by the Authority or by anyone on its behalf or with its written consent to the Trustee; and (d) to the extent not covered above, all proceeds of the foregoing. Prospects for uninterrupted payment of principal and interest on the 2021 Series A Bonds in accordance with their terms are dependent upon the success of the Borrower in renovating and operating the Projects to generate adequate cash flow to meet its obligations under the Loan Agreement and the Note.

The Borrower and Related Parties; Conflicts of Interest

The Borrower was organized for the sole purpose of acquiring, renovating and operating the Projects. The Borrower has no assets other than the Projects owned by it and the rights and revenues incident thereto and has no intention to acquire other assets. The ability of the Borrower to pay and perform its obligations under the Loan Agreement and the Note will depend primarily upon the ability of the Projects to generate sufficient revenues.

Future Project Revenues and Expenses

As noted herein, and except to the extent payable from investment income or, under certain circumstances, proceeds of casualty insurance or condemnation awards, principal of and premium, if any, and interest on the 2021 Series A Bonds is payable solely from Project Revenues, which include payments from tenants, Housing Assistance Payments and from the security provided by or pursuant to the Indenture, the Loan Agreement and the Mortgages. No representation or assurance is given or can be made that Project Revenues, as presently estimated or otherwise, will be realized by the Borrower, the Trustee, or by any other person in amounts sufficient, together with such other moneys available under the Indenture and pledged to the 2021 Series A Bonds, to pay debt service on the 2021 Series A Bonds when due and to make other payments necessary to meet the obligations of the Borrower. Future revenues and expenses of the Project are subject to conditions which may change.

The realization of Project Revenues from the Projects by the Borrower generally is subject to, among other factors, federal and state policies affecting rental housing and the housing market generally, demand for multifamily rental housing, the capability of management of the Projects, the nature and condition of the housing stock in the
neighborhood in which the Projects are located, the continuation of Housing Assistance Payments under the HAP Contracts, future economic conditions and other conditions which are impossible to predict. Such conditions may include an inability of management at the Projects to control expenses during periods of inflation, changes in government involvement in and regulation of rental housing, changes in local real estate taxes and zoning restrictions, and competition from other sources of assisted or market-rate multifamily housing.

The payment of debt service on the 2021 Series A Bonds is, among other things, dependent upon the Borrower’s ability to maintain occupancy of the Projects, maintain and comply with the terms of the HAP Contracts and charge and collect rents which are sufficient to pay operating expenses of the Projects, debt service requirements with respect to the 2021 Series A Bonds and to fund necessary reserves as required under the Indenture. Occupancy levels (which also affect Project Revenues) will depend principally upon the continuation of Housing Assistance Payments under the HAP Contracts, the desirability of the Projects as rental housing, taking into account factors such as its cost, location, physical condition and amenities. See “THE BORROWER AND THE PROJECTS” and the subheadings thereunder herein for a description of the Projects. Occupancy levels may also be affected by a variety of future events, including but not limited to failure of the Projects to attract such tenants because of competition from other rental housing, changes in zoning restrictions, or development activities near the Projects.

Risks of Real Estate Investment

General. Development, ownership and operation of real estate, such as the Projects, involves certain risks, including the risk of adverse changes in general economic and local conditions, the deterioration of the Projects physical conditions, the possible future oversupply and lagging demand for housing; adverse use of adjacent or neighboring real estate; community acceptance of the Projects; changes in the cost of operation of the Projects; difficulties or restrictions in the Borrower’s ability to raise rents charged; adverse weather and delays in renovation; population decreases; uninsured losses; failure of residents to pay rent; operating deficits and mortgage foreclosure; lack of attractiveness of the property to residents; adverse changes in neighborhood values; and adverse changes in zoning laws, federal and local rent controls, other laws and regulations and real property tax rates. Such losses also include the possibility of fire or other casualty or condemnation. If the Projects, or any parts of the Projects, (or any one of the Projects or portions thereof) were uninhabitable during restoration after damage or destruction, the residence units or common areas affected would not be available during the period of restoration, which could adversely affect the ability of the Projects to generate sufficient revenues to pay debt service on the 2021 Series A Bonds. Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may render the sale or refinancing of the Projects difficult or unattractive. These conditions may have an adverse effect on the demand for the Projects as well as the market price received for a Project in the event of a sale or foreclosure of such Project. Many other factors may adversely affect the operation of facilities like the Projects and cannot be determined at this time.

Risks of Competition, the Rental Market and Occupancy and Rental Rates. The Projects may compete with other current and future multifamily housing developments in their market areas, some of which may offer lower rentals. It is difficult to assess the current and future demand for units of the Projects or future rental rates. Therefore, there can be no assurance that the Projects will achieve the occupancy levels or the rental rates necessary to cover debt service requirements.

Failure to Maintain Occupancy. The economic feasibility of the Projects and their ability to provide revenues to the Borrower sufficient to make payments on the Note depend in large part upon their being substantially occupied. Occupancy of the Projects may be affected by competition from existing competing facilities or from competing facilities which may be constructed in the area served by each Project. Circumstances may occur, including but not limited to, insufficient demand for low income multifamily housing in the Projects’ locations, decreases in the population, deterioration of the structure and living facilities of the Projects, and construction of competing projects for low income individuals or other more attractive living accommodations, which could increase the rate of vacancy. Further, the sustained failure of tenants to meet their rental payment obligations would make it difficult for the Projects to meet its current operating expenses which could result in a curtailment of essential services and decrease the desirability of the Projects to existing or prospective tenants.

Damage, Destruction or Condemnation. Although the Borrower will be required to obtain and maintain certain insurance against damage or destruction as set forth in the Loan Agreement and the Mortgages, there can be
no assurance that the Projects will not suffer losses for which insurance cannot be or has not been obtained or that the
amount of any such loss, or the period during which the Projects cannot generate Project Revenues, will not exceed
the coverage of such insurance policies.

If the Projects or any portion of the Projects (or any one Project or portion thereof) are damaged or destroyed,
or are taken in a condemnation proceeding, funds derived from proceeds of insurance or any such condemnation award
for such Project must be applied as provided in the Loan Agreement to restore or rebuild such Project or to redeem
the 2021 Series A Bonds (in whole or in part, as applicable). There can be no assurance that the amount of funds
available to restore or rebuild any Project or to so redeem the 2021 Series A Bonds will be sufficient for that purpose,
or that any remaining portion of the Projects will generate Project Revenues sufficient to pay the expenses of the
Projects and the debt service on the 2021 Series A Bonds remaining outstanding.

Housing Assistance Payment Risks

**HAP Contracts.** Each HAP Contract is subject to cancellation by HUD if the Borrower defaults in its
obligations thereunder. Such obligations include maintaining such Project in a decent, safe and sanitary condition and
in good repair, and observing federally imposed restrictions on leasing of units and affordability of rents.

The rental subsidy payments under the HAP Contracts are subject to being adjusted by HUD annually using
an operating cost adjustment factor ("OCAF"). The adjustments by use of the OCAF will not result in a negative
adjustment (decrease) of the Contract Rents. The Borrower may also request budget-based increases annually as
approved by the responsible Administrators and subject to the requirements of HUD. In the event (i) any HAP
Contract expires prior to its renewal, (ii) HUD were to terminate Housing Assistance Payments under a HAP Contract,
(iii) Housing Assistance Payments payable under a HAP Contract were to decrease, or do not increase at a rate
commensurate with any increase in operating expenses, or (iv) Congress does not appropriate money therefor in any
year, such terminated payments or decrease in payments would not be available to pay debt service on the Note, which
could result in a default on the 2021 Series A Bonds.

The HAP Contracts do not provide assurance that the 2021 Series A Bonds will be paid regardless of the
economic condition of the Projects.

Prospects for uninterrupted payment of the principal of, and premium, if any, and interest on the 2021 Series
A Bonds in accordance with their terms are dependent upon the success of the Borrower in operating the Projects in
compliance with the HAP Contracts to generate adequate cash flow to meet their obligations under the Note. The
possible inability of any Borrower to comply with the HAP Contract to which it is a party could, therefore, materially
and adversely affect the Borrower's ability to pay amounts due under the Note.

The obligation of HUD to make Housing Assistance Payments is conditioned upon the Borrower's performance
of their obligations under the HAP Contracts (including their obligations to maintain occupancy by
tenants eligible for Housing Assistance Payments, and to comply with other federal requirements pertaining to
nondiscrimination, equal employment opportunity, relocation, pollution control and labor standards) and upon other
terms and provisions thereof.

HUD will approve increases in Contract Rents under a HAP Contract only with certain limitations intended
to assure that rent increases do not exceed the average rent increases for comparable projects in the relevant market
area. Contract Rents are also not subject to increase to cover major repairs not covered by insurance or the Repair and
Replacement Fund established under the Indenture.

**Scheduled Termination of Housing Assistance Payments.** Each HAP Contract expires on a date, at which
time a substantial amount of the 2021 Series A Bonds will remain outstanding. The Borrower has covenanted to seek
all available extensions of the HAP Contracts; however, HUD may, but is under no obligation to extend any HAP
Contract beyond the current maximum term. The financial feasibility of the Projects is and will likely remain
dependent on the subsidy provided by the HAP Contracts. There may not be sufficient market demand to enable the
Borrower to lease the units currently subject to the HAP Contracts to tenants who do not have HUD assistance without
reducing rents to less than what the Borrower propose to charge for non-Section 8 units. After expiration of the HAP
Contracts, HUD may provide Section 8 tenant-based rental assistance to all Eligible Tenants, enabling them to choose the units they wish to rent. This may or may not include the Projects.

**Risk of Tenant Non-Payment of Rent.** There can be no assurance that any tenant of a Project will pay rent when due. No governmental agency, including HUD, has guaranteed the rental payments due from tenants. Thus, there can be no assurance that the rental payments received from the tenants will be sufficient to enable the Borrower to make timely debt service payments on the Note, or to enable the Authority to make timely payments of principal, premium, if any, and interest on the 2021 Series A Bonds. Leases can be terminated by the Borrower for nonpayment of rent by tenants.

**Restrictions on Increases in Contract Rents.** There is no assurance that Contract Rents will always be sufficient to cover actual expenses. Increases in Contract Rents by automatic annual adjustments and special adjustment may not be sufficient to cover actual increases in operating expenses of the Projects.

**Limitation on Vacancy Payments under HAP Contracts.** In the event of vacancy, Housing Assistance Payments are required by each HAP Contract to continue with respect to the vacant unit for up to sixty days at 80% of the Contract Rent. If the vacant unit has not been re-occupied by an Eligible Tenant within the 60-day period, Housing Assistance Payments will cease altogether with respect to the vacant unit until such time as the vacant unit is reoccupied. The reduced Housing Assistance Payments in event of vacancy will only be paid if the Borrower party to such HAP Contract did not cause the tenant to vacate the unit in violation of the tenant's lease or other applicable law, if such Borrower is taking all feasible actions to fill the vacancy, if such Borrower is maintaining the unit to provide decent, safe and sanitary housing.

Currently, under the HAP Contracts the Borrower must lease all of the assisted units at the Clemson-Corbett Project and Union Tower Project to families which meet the Section 8 eligibility requirements at initial occupancy. Further, where the Borrower fails to maintain at least 100% of the assisted units leased or available for lease by Eligible Tenants at the Clemson-Corbett Project and the Union Tower Project, HUD or the responsible Administrator may reduce the number of assisted units under the related HAP Contract thereby reducing the Contract Rent. Each Borrower may request that HUD waive the aforementioned requirement prior to the initial occupancy of a tenant who is not an Eligible Tenant. Where such a waiver is granted no reduction in assisted units will be made. In the event that a reduction in assisted units is triggered, upon meeting certain conditions, the affected Borrower may request that HUD restore the reduction.

If HUD or the responsible Administrator (if other than HUD) notifies a Borrower that it has failed to maintain a dwelling unit in the Project owned by it in decent, safe and sanitary condition and such Borrower fails to take corrective action within the time prescribed in the notice, HUD may exercise any of its rights or remedies under the related HAP Contract, including the abatement of Housing Assistance Payments. Failure to receive Housing Assistance Payments or abatement thereof from the levels sufficient to pay Contract Rents could materially affect the Borrower's ability to generate sufficient Project Revenues to make payments on the Note. If HUD determines that a unit of any Project is smaller or larger than appropriate, Housing Assistance Payments with respect to such unit will not be abated or terminated until the tenant has been relocated to an appropriate alternative unit.

**Extension of HAP Contracts.** Currently, an important source of revenues for the Projects is the payments to be made to the Borrower pursuant to the HAP Contracts. Each HAP Contract is scheduled to terminate as described herein, which dates are substantially prior to the final maturity of the 2021 Series A Bonds. If the Borrower is unable to extend the HAP Contracts on terms similar to the current ones, the ability of the Projects to generate sufficient revenues to enable the Borrower to make the required payments on the Note will be subject to all of the risks normally associated with the ownership of unsubsidized multifamily housing projects, certain of which risks are described herein. No assurance can be given, however, that the Projects will actually generate revenue levels sufficient to make the payments due on the Note.

**Dependence on Annual Appropriations.** Although the HAP Contracts do not expire until later dates as described herein, the funds to make the assistance payments are subject to annual appropriations by Congress. If Congress failed to appropriate funds sufficient for HUD to meet its obligations under the HAP Contracts for any period of time, any resulting decrease in the payment of Contract Rents would reduce the revenues of the Projects and could affect the ability of the Borrower to make payments on the Note.
**Certain Union Units Not Supported by HAP Contracts.** One (1) of the units at the Union Tower Project (the on-site manager’s unit) is not supported by a HAP Contract and is subject to market-based rent. Thus, a subsidy is not provided for that unit at the Union Tower Project. [Update to include New Projects, if applicable].

**Marketing and Management**

The successful operation of the Projects is heavily dependent upon the efforts of the Property Manager. The Borrower has contracted with the Property Manager for marketing and day-to-day management and operation of the Projects. If the Property Manager were to terminate its respective relationship with the Borrower, the Borrower would need to hire and train a management team for the affected Project(s) or contract for similar services at equivalent rates with other companies. There can be no assurance that such a replacement manager or asset manager could be employed. For more information see, “THE BORROWER AND THE PROJECTS – The Property Manager” herein.

**Effect of Increases in Operating Expenses**

It is impossible to predict future increases in operating expenses. An extended period of inflation may cause the rate of increases in Operating Expenses to rise more rapidly than the Borrower’s ability to raise rents. Conversely, an extended period of deflation may cause the Projects’ rents to decrease more rapidly than any decrease in the Projects’ Operating Expenses. In addition, any underestimation by the Borrower of the current Operating Expenses of the Projects may materially adversely affect sufficiency of the operating income of the Projects.

Property reserves are an important consideration for replacing such items as kitchen appliances, heating and air conditioning systems, roofs and other major capital items to maintain the quality of the Projects over time. The adequacy of the Projects’ reserve funds will depend in part on the quality of workmanship performed during construction or renovation and the longevity of mechanical equipment that was installed in the units. The deterioration and replacement of capital items is not predictable with certainty, and real estate properties such as the Projects may encounter a periodic need for capital for replacement or repair of capital items in excess of property reserves on hand. The Borrower has obtained capital needs assessments for the Projects and a portion of the proceeds of the 2021 Series A Bonds will be used to pay the costs of the improvements recommended by the capital needs assessments. See “THE BORROWER AND THE PROJECTS—Physical Needs Assessments” herein.

In the event that additional capital is needed for the replacement of capital items, since the Borrower has no other source of income other than the Projects, it is likely that the Borrower will either have to seek additional debt financing from third-party lenders or pay for such capital replacement or improvement out of residual cash flow from the Projects. The Authority has no obligation with respect to any operating, reserve or capital expenses of the Projects and no obligation to issue Additional Bonds with respect to the Projects.

To the extent there are any expenditures required to maintain the Projects that are not foreseen by the Borrower, any uninsured losses are experienced, the only source of money to pay such expenses would be additional resources, if any, available to the Borrower. The Borrower may be unable or unwilling to pay for such additional expenditures.

Substantial increases in Operating Expenses would affect future net operating income of the Projects and the ability of the Projects to generate rental revenue in amounts sufficient to satisfy the Borrower’s obligations under the Loan Agreement and the Note. Any failure by the Borrower to satisfy their payment obligations under the Loan Agreement and the Note will have an adverse impact on the ability of the Trustee to pay, from the Trust Estate, debt service payments on the 2021 Series A Bonds.

**Projects’ Risks**

**Adequacy of the Projects as Security.** The security for the 2021 Series A Bonds includes liens on the Projects, evidenced by the Mortgages which have been granted in favor of the Trustee. If the Borrower fails to make sufficient and timely payments required under the Loan Agreement, it may be necessary for the Authority and the Trustee to exercise their remedies under the Mortgages or the Indenture, including foreclosure.

There can be no assurance that if and when the Trustee forecloses and obtains possession of the Projects (or any of them) or realizes amounts from the sales thereof, that resulting proceeds or Project Revenues (if such Projects
are retained and operated by the Trustee), would be sufficient to pay debt service on the 2021 Series A Bonds in full when due and operating expenses of the Projects. The Trustee is not in the business of operating facilities such as the Projects and any amounts which might be realized from operation of the Projects are uncertain. Further, attempts to foreclose under the Mortgages or to obtain other remedies under such document, the Indenture, the Loan Agreement or any other documents relating to the 2021 Series A Bonds may be met with protracted litigation and/or bankruptcy proceedings, which could cause delays, and a court may decide not to order specific performance of covenants contained in such documents. Thus, there can be no assurance that upon the occurrence of an event of default on the 2021 Series A Bonds the Trustee will be able to obtain possession of the Projects (or any of them) or generate proceeds of sale or revenues from the Projects (or any of them), or obtain other relief, in a timely fashion.

**Projects are Special Purpose Facilities.** The Projects were constructed for multifamily residential rental housing purposes and are subject to physical restrictions that limit the alternative uses that can be made of such properties. If the Borrower is unable to operate the Projects successfully as multifamily residential rental housing facilities, the number of entities that would be interested in purchasing or leasing the Projects from the Borrower (or any Project from any Borrower) for other purposes could be limited, and the ability of the Trustee to lease or sell the Projects (or any of them) to third parties would be adversely affected. Therefore, there is no assurance that the Trustee could realize sufficient proceeds from the foreclosure of the Mortgages and the sale of the Projects (or any of them) thereunder to pay the 2021 Series A Bonds in their entirety.

**Rental Housing Requirements.** The Projects are subject to significant regulation which, among other things, affects the eligibility of tenants who may reside in the Projects and the rents which may be charged to tenants. The Tax Agreement requires that so long as the Borrower is the owner of a Project, 75% of the units of such Project be rented or held available to persons with income not in excess of 80% of the median income for the area in which such Project is located and that at least 40% of the units of such Project be rented or held available to persons with incomes not in excess of 60% of AMI, adjusted for family size. See “INTRODUCTION” and “THE BORROWER AND THE PROJECTS – Project Regulation” herein. The restrictions are necessary to maintain the tax-exempt status of the 2021 Series A Bonds. The Borrower must maintain a rental policy with respect to the portions of the Projects that are leased to low and very low-income tenants that follows government imposed rental restrictions or a rental policy that otherwise provides that the housing is affordable to those tenants. However, these restrictions may limit the ability of the Borrower to increase the rentals charged to the tenants of the Projects to the extent required to compensate for increasing expenses. (See “THE BORROWER AND THE PROJECTS – Project Regulation” herein and “The Tax Agreement” in Appendix A hereto). The foregoing rental housing requirements may adversely affect the occupancy and revenues of the Projects and may limit the Borrower's ability to refinance the Projects.

**Other Government Regulations.** The Projects are and will continue to be subject to rules and regulations promulgated by various agencies and bodies of federal, state and local governments which have jurisdiction over such matters as employment, environment, safety, traffic and health. The impact of such rules and regulations on the Projects is unknown and cannot be predicted. Future orders, pursuant to existing or subsequently enacted rules or regulations, may require the expenditure by the Borrower of substantial sums to effect compliance therewith.

**Insurance Risks**

The Loan Agreement requires the Borrower to carry certain insurance; however, there are certain types of losses (generally of a catastrophic nature) that are either uninsurable or not economically insurable. Such risks include, but may not be limited to, earthquakes, terrorism, war, and floods. Moreover, such insurance coverage is subject to certain upper limits, which may not be sufficient to pay the costs of remediating every event of casualty that may occur. In addition, the Borrower could mistakenly allow the insurance on the Projects to lapse. If an uninsured loss occurs, a default in payment of the 2021 Series A Bonds could result. Failure of an insurer to pay a claim could also result in a default on the Note.

Substantial increases in general liability insurance premiums may occur at any time and, at times, the Borrower may experience difficulty in obtaining such insurance for the Projects (or any of them). Litigation may also arise from the corporate and business activities of the Borrower and from the status of the Borrower as employer; many of these risks are covered by insurance, but some are not.
While the Borrower is required by the Loan Agreement to have in effect at all times comprehensive general liability insurance providing insurance against liability for personal and bodily injury including death resulting therefrom, if a claim or judgment against the Borrower for an amount in excess of the limits of such insurance were to arise, it would likely have a material adverse effect on the financial results of the Projects and the Borrower.

Delinquent and Defaulting Tenants

A portion of the tenants in the Projects will be lower-income persons who may not be able to make timely rental payments or will otherwise fail to make rental payments at all. To the extent possible, management intends to terminate rentals to such delinquent or defaulting tenants as soon as practicable after their default. Tenants who do not voluntarily vacate will require that the Borrower owning the Project affected to recover possession through legal action. Legal action is costly, both in regard to legal fees and expenses and to lost revenues during the time necessary to remove the tenant. The existence of delinquent or defaulting tenants in the Projects could adversely affect the ability of the Borrower to make timely payments, if at all, under the Loan Agreement and the Note. Any failure by the Borrower to satisfy their payment obligations under the Loan Agreement and the Note will have an adverse impact on the ability of the Trustee to pay debt service payments on the 2021 Series A Bonds.

[Appraisal]

The Borrower retained the Appraiser to prepare the Appraisal for the 2021 Series A Projects. The Appraisal is based on certain assumptions significant to the operation of the Tobias Apartments Project as described therein and set forth information as of the date thereof. Some assumed events and circumstances inevitably will not materialize, and unanticipated events and circumstances may occur subsequent to the date of the Appraisal. Accordingly, the assumptions and other information in the Appraisal should be carefully evaluated by a prospective investor in the light of the circumstances then prevailing. Appraisals, by their nature, are based on the judgment of that certain appraiser, represent only estimates of value, and should not be relied upon as a measure of realizable value. There can be no assurance that information set forth in the Appraisal continues to be accurate in all respects as of the date hereof. In any event, the accuracy of the Appraisal is dependent upon the occurrence of specified assumptions and other future events which cannot be assured, and therefore, the actual results achieved will vary from the forecasts, and the variation may be material. Neither the Authority, the Underwriter, the Trustee nor any counsel rendering approving or other opinions with respect to the transactions described herein have examined or verified the assumptions and conclusions contained in the Appraisal.

As described above, a summary of the Appraisal is set forth in this Official Statement. The summaries do not purport to be complete or definitive and is qualified in its entirety by reference to the full Appraisal. During the initial offering period for the 2021 Series A Bonds, the Appraisal will be provided to any prospective purchaser upon request to the Underwriter. See “APPRaisalS” herein.]

Physical Needs Assessments

None of the Authority, the Borrower, the Underwriter or any other party makes any representation as to the physical conditions of the Projects. There exists the possibility that the Projects (or any of them) will require repairs and improvements that were not discovered during the procedures performed by the independent engineers who prepared such assessments and consequently, such repairs and improvements have not been disclosed in the Physical Needs Assessments. Prospective purchasers of the 2021 Series A Bonds may obtain copies of the Physical Needs Assessments upon request to the Underwriter during the initial offering period for the 2021 Series A Bonds. See “THE BORROWER AND THE PROJECTS—Physical Needs Assessments” herein.

Financial Reports and Projections

The financial reports included in Appendix C present the actual operations of the Bella Vista Project, Clemson-Corbett Project, Laveta Terrace Project, Union Tower Project and Tobias Apartments Project for fiscal years 2018 and 2019. The Underwriter makes no representation or warranty as to the financial information asserted therein. The passage of time and current economic conditions should be considered by investors when considering such reports. The financial reports included as Appendix C to this Official Statement were prepared by a certified public
accountant and meet the requirements of the American Institute of Certified Public Accountants for prospective financial forecasts or projects.

The financial projections included under the headings, “MARTEL APARTMENTS PROJECT Summary Statement of Revenues and Expenses Period of January 1, 2020 to December 31, 2020,” and “PARTHENIA APARTMENTS PROJECT Summary Statement of Revenues and Expenses Period of January 1, 2020 to December 31, 2020” present the Borrower’s and the Property Manager’s present estimate of future results of operations of 2021 Series A Projects and are subject to certain assumptions used in preparing them as discussed therein. The Underwriter makes no representation or warranty as to the financial projections asserted therein. The passage of time and current economic conditions should be considered by investors when considering such projections. The financial projections included in this Official Statement were prepared by the Borrower and the Property Manager and have not been examined or reviewed by an independent certified public accountant and are not intended to and do not meet the requirements of the American Institute of Certified Public Accountants for prospective financial forecasts or projects.


Acceleration of the 2021 Series A Bonds; Limitation

The Indenture provides that following an Event of Default thereunder, the maturity of the 2021 Series A Bonds may be accelerated by the Trustee, subject to cure provisions of the Indenture, and upon written request of the holders of a majority of the principal amount of a Series of Bonds, shall be accelerated. See “FORMS OF THE PRINCIPAL DOCUMENTS - The Trust Indenture” in Appendix A hereto.

Risk of Early Redemption and Loss of Premium

Purchasers of 2021 Series A Bonds, including those who purchase 2021 Series A Bonds at a price in excess of their principal amount or who hold such a 2021 Series Bond trading at a price in excess of par, should consider the fact that the 2021 Series A Bonds are subject to redemption at a redemption price equal to their principal amount plus accrued interest in the event such 2021 Series A Bonds are redeemed prior to maturity. There are a number of circumstances under which all or a portion of the 2021 Series A Bonds may be redeemed prior to their stated maturity. One such circumstance in which all or a portion of the 2021 Series A Bonds may be redeemed prior to their stated maturity is following the determination of a Management Consultant that the continued operation of one or more of the Projects would have a material adverse effect on the ability of the Borrower to comply with the financial covenants contained in the Loan Agreement. For a description of the circumstances in which the 2021 Series A Bonds may be redeemed and the terms of redemption, see “THE 2021 SERIES A BONDS – Redemption at the Direction of the Borrower; Redemption Other Than at the Borrower’s Direction” herein and “FORMS OF THE PRINCIPAL DOCUMENTS — The Trust Indenture, - The Loan Agreement” in Appendix A hereto.

Risk of Loss Upon Redemption

The rights of 2021 Series Bondholders to receive interest will terminate on the date, if any, on which such 2021 Series A Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the Indenture and interest on such 2021 Series A Bonds will no longer accrue on and after such date of redemption. There can be no assurance that the Borrower will be able or will be obligated to pay for any amounts not
available under the Indenture. In addition, there can be no guarantee that present provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the 2021 Series A Bonds taxable for federal income tax purposes.

Incurrence of Additional Indebtedness

The Loan Agreement and the Indenture permit the Borrower to incur additional indebtedness, upon compliance with the provisions thereof. See “FORMS OF THE PRINCIPAL DOCUMENTS – The Loan Agreement—Other Indebtedness” and “The Indenture—Additional Bonds” in Appendix A hereto.

Debt Service Reserve Fund

The Indenture creates a Debt Service Reserve Fund. In the event that the Borrower does not make timely payment under the Note, funds in the accounts of the Debt Service Reserve Fund will be used to make payments of principal of and interest on the Bonds secured thereby as they become due. Although the Borrower believes such reserve to be reasonable, and anticipates that Project Revenues will be sufficient to cover the debt service on the 2021 Series A Bonds, there is no assurance that funds reserved and future Project Revenues will be sufficient to cover debt service on the 2021 Series A Bonds. Although the Loan Agreement requires the Borrower to do so, there can be no assurance that the Borrower will repay into the Debt Service Reserve Fund money so advanced. Investments in the Debt Service Reserve Fund must be in Investment Securities (as described in the Indenture) but are subject to investment risks. There is no limitation on the maturity of investments in the Debt Service Reserve Fund; therefore, there can be no assurance that if the Debt Service Reserve Fund has to be liquidated that sale of investments therein will not result in a loss.

Effect of Bankruptcy

Bankruptcy and similar proceedings against the Borrower and usual equity principles may affect the enforcement of rights to first lien security for the 2021 Series A Bonds. A court may invoke other equity principles to refuse to enforce specifically rights to such security. If such security is inadequate for payment in full of the 2021 Series A Bonds, bankruptcy proceedings and usual equity principles may also limit any attempt by the Trustee to seek payment from other property, if any, of the Borrower.

If the Borrower were to file a petition for relief under the United States Bankruptcy Code, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower, and any interest it has in property. If the bankruptcy court so orders, the Borrower’s property, including its accounts receivable and proceeds thereof, could be used, at least temporarily, for the benefit of the bankruptcy estate despite the claims of its creditors.

Bankruptcy proceedings by or against the Borrower could adversely affect Beneficial Owners of the 2021 Series A Bonds by reducing or delaying payments on the 2021 Series A Bonds and may impede enforcement by the Trustee and such Beneficial Owners of their claims to the collateral assigned and pledged to secure the 2021 Series A Bonds.

Furthermore, judicial decisions concerning the status of debt service reserve funds held by an indenture trustee have concluded that such reserves are “cash collateral” of a debtor in bankruptcy and have cast doubt on the ability of the Trustee to use moneys in the Debt Service Reserve Fund to make payments on the 2021 Series A Bonds in the event of a bankruptcy of the Borrower.

The commencement of bankruptcy proceedings by or against the Borrower will result in a Default under the Loan Agreement.

Enforceability of Remedies; Prior Claims

The 2021 Series A Bonds are payable from the payments to be made under the Loan Agreement. Pursuant to the Indenture, the 2021 Series A Bonds are secured by an assignment by the Authority to the Trustee of certain of its
rights under the Loan Agreement (except as provided therein) and by the Mortgages on the Projects and the security interests in the personal property and Project Revenues. The practical realization of the value from this property upon any default will depend upon the exercise of various remedies specified by the Loan Agreement, the Note, the Mortgages and the Indenture. These and other remedies may require judicial actions, which are often subject to discretion and delay. Under existing law (including, without limitation, the United States Bankruptcy Code), the remedies specified by the Loan Agreement, the Mortgages, or the Indenture may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Loan Agreement, the Mortgages or the Indenture. The various opinions to be delivered concurrently with the delivery of the 2021 Series A Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws affecting the enforcement of creditors’ rights generally.

In addition, the various security interests established under the Indenture and the Mortgages will be subject to Permitted Encumbrances, and may be limited by or subject to other claims and interests.

Secondary Market and Prices

The Underwriter will not be obligated to repurchase any of the 2021 Series A Bonds and no representation is made concerning the existence of any secondary market therefor, nor can any assurance be given that any secondary market will develop following the completion of the offering of the 2021 Series A Bonds, and no assurance can be given that initial offering prices for the 2021 Series A Bonds will continue for any period of time. Any prospective purchaser of the 2021 Series A Bonds, therefore, should undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the 2021 Series A Bonds. Any prospective purchaser should be fully aware of the long-term nature of an investment in the 2021 Series A Bonds and should assume that it will have to bear the economic risk of its investment indefinitely. Any prospective purchaser of the 2021 Series A Bonds that does not intend or that is not able to hold the 2021 Series A Bonds for a substantial period of time is advised against investing in the 2021 Series A Bonds.

Credit Ratings

There is no assurance that the credit ratings assigned to the 2021 Series A Bonds at the time of issuance or at a subsequent time will not be lowered or withdrawn, the effect of which could adversely affect the market price and the market for the 2021 Series A Bonds. The Rating Agency may revise the criteria under which it rates the 2021 Series A Bonds at any time, which revisions could result in significant changes to or withdrawal of the credit rating assigned to the 2021 Series A Bonds. In addition, in determining the initial credit rating for the 2021 Series A Bonds, and in conducting its annual rating surveillance, the Rating Agency may use assumptions regarding occupancy, revenues, expenses and values related to the Projects that differ materially from those used by the Borrower. Such differences could result in a lowering or withdrawal of the ratings on the 2021 Series A Bonds, if, for example, the Rating Agency’s calculations resulted in a failure of the Projects to meet the required Coverage Test for the 2021 Series A Bonds. In addition, there is no requirement or covenant that the Borrower maintain any rating for any Series of the 2021 Series A Bonds.

Forward-Looking Statements

Certain statements in this Official Statement that relate to the Projects and the Borrower including, but not limited to, statements under the captions “THE BORROWER AND THE PROJECTS” and “ESTIMATED SOURCES AND USES OF FUNDS,” are forward-looking statements that are based on the beliefs of, and assumptions made by, the management of the Borrower. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance of the Projects and the Borrower to be materially different from any expected future results or performance. Such factors include, but are not limited to, items described in “RISK FACTORS AND INVESTMENT CONSIDERATIONS.”
Specific Tax Covenants of Borrower and Rental Restrictions

As referenced in the Sections of this Official Statement captioned “INTRODUCTION” and “THE BORROWER AND THE PROJECTS – Project Regulation,” the Borrower has covenanted to comply with certain income limits and certain rent restrictions with respect to the Projects. These restrictions, by their very nature, limit the revenues which the Projects can generate in order to repay the 2021 Series A Bonds. See “RISK FACTORS AND INVESTMENT CONSIDERATIONS – Projects’ Risks” and in Appendix A hereto, “FORMS OF THE PRINCIPAL DOCUMENTS — The Tax Agreement.”

Taxation of the 2021 Series A Bonds

The interest on the 2021 Series A Bonds may be includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the 2021 Series A Bonds for a variety of reasons. The exclusion from gross income is dependent upon, among other things, compliance with certain restrictions regarding investment of Tax-Exempt Bond proceeds and continuing compliance by the Borrower with the Tax Agreement under which enforcement remedies available to the Authority and the Trustee are severely limited. Failure of the Borrower to comply with the terms and conditions of the documents relating to the 2021 Series A Bonds or the Loan Agreement, the Tax Agreement and other documents as described herein may result in the loss of the tax-exempt status of the interest on the 2021 Series A Bonds retroactive to the date of issuance of the 2021 Series A Bonds. See “Project Risks—Rental Housing Requirements” under this heading and “TAX MATTERS” herein. Although a determination of taxability is not an express Event of Default, the Borrower has covenanted to take all action necessary to cause interest on the 2021 Series A Bonds to remain tax-exempt; therefore, if interest on the 2021 Series A Bonds becomes taxable, this could be an Event of Default. No assurance can be given that sufficient funds will be available in such a case to enable the 2021 Series A Bonds to be redeemed at the applicable redemption price.

If interest on the 2021 Series A Bonds should become included in gross income for federal income tax purposes, the market for and value of the 2021 Series A Bonds would be adversely affected.

Moreover, there can be no assurance that the present advantageous provisions of the Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified, thereby resulting in the inclusion of gross income of the interest on the 2021 Series A Bonds for federal income tax purposes or otherwise eliminating or reducing the benefits of the present advantageous tax treatment of the 2021 Series A Bonds. There can be no assurance that Congress will not adopt legislation applicable to the 2021 Series A Bonds, the Borrower or the Projects or that the Borrower would be able to comply with any such future legislation in a manner necessary to maintain the tax-exempt status of the 2021 Series A Bonds. The Borrower is required under the Loan Agreement to use its best efforts to comply with any other future federal income tax law requirements in order to maintain the tax-exempt status of the 2021 Series A Bonds to the extent that any such other requirements are made applicable to the Borrower or the Projects. There is no assurance, however, that the Borrower would be able to comply with any such other requirements.

Possible Consequence of Tax Compliance Audit

The IRS has established a general audit program to determine whether issues of tax-exempt obligations, such as the 2021 Series A Bonds, are in compliance with requirements of the Code that must be satisfied in order for the interest of those obligations to be, and continue to be, excluded from gross income for federal income tax purposes. It cannot be predicted whether the IRS will commence an audit of the 2021 Series A Bonds. Depending on all the facts and circumstances and the type of audit involved, it is possible that commencement of an audit of the 2021 Series A Bonds could adversely affect the market value and liquidity of the 2021 Series A Bonds until the audit is concluded, regardless of its ultimate outcome. Such an audit could result in the IRS declaring that interest on the 2021 Series A Bonds should be included in gross income for federal income tax purposes. See “TAX MATTERS” herein.

Environmental Rules

The Projects will be subject to risks arising out of environmental law considerations generally associated with ownership of real estate. Such risks include, in general, a decline in property values in the Projects resulting
from possible violations of applicable federal or state environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Compensation and Liability Act of 1980 (CERCLA), the Resource Conservation and Recovery Act of 1976 (RCRA). These risks may be associated with contamination of the Projects from hazardous substances located in, on, around or in the vicinity of the Projects.

**Business Disruption Risks; COVID-19**

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Borrower’s ability to conduct its business. A prolonged disruption in the Issuer’s operations could have an adverse effect on the Borrower’s financial condition and results of operations. To plan for and mitigate the impact such an event may have on its operations, the Issuer has developed a Continuity of Operations Plan (the “Plan”), which extends to the Borrower. The Plan is designed to (i) provide for the continued execution of the mission-essential functions of the Borrower and minimize disruption if an emergency threatens, interrupts or incapacitates the Borrower’s operations, (ii) provide Issuer leadership with timely direction, control and coordination before, during and after an emergency, and (iii) facilitate the return to normal operating conditions as soon as practical based on the circumstances surrounding any given emergency. No assurances can be given that the Borrower’s efforts to mitigate the effects of an emergency or other event will be successful in preventing any and all disruptions to its operations in the event of an emergency.

One such external event is the recent global outbreak of COVID-19 (“COVID-19”), a respiratory disease declared to be a pandemic (the “Pandemic”) by the World Health Organization, which is affecting the national capital markets and which may negatively impact the State’s housing market and its overall economy. The threat from the Pandemic is being addressed on a national, federal, state and local level in various forms, including executive orders and legislative actions.

On March 13, 2020, the President of the United States declared a national emergency with respect to the Pandemic. In addition, the United States Congress recently enacted several COVID-19-related bills, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), signed into law on March 27, 2020, which provides over $2 trillion of direct financial aid to American families, payroll and operating expense support for small businesses, and loan assistance for distressed industries, as well as providing funds to and directing the Federal Reserve System to support the capital markets.

With respect to multifamily/affordable housing mortgage loans which are (a) insured, guaranteed, supplemented or assisted in any way by the federal government (including any HUD program or related program) or administered by any federal agency or (b) purchased or securitized by Fannie Mae or Freddie Mac (collectively, “Federal Multifamily Loans”), the CARES Act also provides that, if such Federal Multifamily Loan was current as of February 1, 2020 and is not for temporary financing (i.e., not a construction loan), then until the earlier of the termination of the Pandemic or December 31, 2020, a borrower may request a 30-day payment forbearance, and up to two additional 30-day forbearances. During the period of any such forbearance, a borrower may not evict any tenant solely for nonpayment of rent. Such limitation would apply to the Clemson-Corbett Project and Union Tower Project, which receive HUD assistance under the respective HAP Contracts. If such provision of the CARES Act was extended, such eviction moratorium and the Borrower’s inability to evict non-paying tenants replace them with paying tenants would also be extended. Such relief follows actions previously taken by the Federal Housing Finance Agency, which announced that Fannie Mae and Freddie Mac would offer mortgage loan forbearance to multifamily property owners on the condition that they suspend all evictions for renters who cannot pay their rent because of COVID-19.

The CARES Act also directs the Federal Reserve Bank to provide liquidity to the financial system through a new facility to purchase certain new issuances of securities by eligible issuers, including housing finance agencies and other state and local governments. Such injection of liquidity follows recent actions by the Federal Reserve Bank, including the purchase of U.S. Treasury securities and GNMA/FNMA/FHLM mortgage-backed securities, facilitating the flow of credit to municipalities by expanding its Money Market Mutual Fund Liquidity Facility to include a wider range of securities, including municipal variable rate demand notes (such as variable rate demand obligations of housing finance agencies).

On March 4, 2020, the Governor of California declared a State emergency with respect to the Pandemic. By executive orders on March 19, 2020, the Governor also has directed: residents of the State to stay at home and shelter
in place, the closure of schools; the closure of restaurants, bars, other public accommodations and non-essential businesses; and the prevention of mortgage foreclosures and evictions, and other actions; in each instance, subject to change and/or extension. By executive order, the State can fine and/or imprison residents who violate these orders.

The Pandemic is an ongoing situation. At this time the Borrower cannot determine the overall impact that the Pandemic, including the federal and State responses thereto, will have on its programs and operations. However, the continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the Borrower, its programs and its operations.

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the Borrower and the Projects:

1. Reinstatement of or establishment of mandatory governmental wage, rent or price controls.

2. Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, without being able to obtain corresponding increases in Project Revenues from residents of the Project.

3. Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in Project Revenues.

4. Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Borrower and the Project.

5. Deterioration of economic conditions in the surrounding community.

6. The occurrence of any natural disasters or other disruptions that impact the operations of the Project.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the appendices hereto so as to make a judgment as to whether the Bonds are an appropriate investment, and obtain such additional information as they deem advisable in connection with their evaluation of the suitability of the Bonds for investments.

LITIGATION

The Authority

From time to time the Authority receives inquiries and requests for documents and information pertaining to unrelated bond issues from various regulatory agencies, including the Securities and Exchange Commission, and in connection with audits by the Internal Revenue Service. To the Authority’s knowledge, as of the date of this Official Statement, there is not pending or threatened any litigation restraining or enjoining the issuance or delivery of the 2021 Series A Bonds or questioning or affecting the validity of the 2021 Series A Bonds or the proceeding or authority under which they are to be issued or which in any manner questions the right of the Authority to enter into the Indenture, the Loan Agreement, or the Tax Agreement or to secure the 2021 Series A Bonds in the manner provided therein.

The Borrower

At the time of the issuance and delivery of the 2021 Series A Bonds, the Borrower will deliver a certificate to the effect that no litigation and no proceedings are pending or, to their knowledge, threatened against the Borrower
with respect to the Projects (or any of them), or the acquisition and renovation thereof, or the issuance of the 2021 Series A Bonds or which would adversely affect the transactions contemplated by this Official Statement.

APPROVAL OF LEGAL MATTERS

Legal matters incident to the authorization, issuance, sale and delivery of the 2021 Series A Bonds by the Authority are subject to the approving opinion of Kutak Rock LLP, Omaha, Nebraska, Bond Counsel. Copies of the approving opinion of Bond Counsel will be available at the time of delivery of the 2021 Series A Bonds in substantially the form set forth in Appendix B.

Certain legal matters will be passed upon for the Authority by its In-House Legal Counsel, for the Borrower by the In-House Legal Counsel of the Housing Authority of the City of Angeles and for the Underwriter by Tiber Hudson LLC, Washington, D.C.

The various legal opinions to be delivered concurrently with the delivery of the 2021 Series A Bonds express the professional judgment of the attorneys rendering those opinions on the legal issues explicitly addressed therein. By rendering the legal opinion, the opinion giver does not become an insurer or guarantor of an expression of professional judgment of the transaction opined upon or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General Matters. In the opinion of Kutak Rock LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the 2021 Series A Bonds (including any original issue discount properly allocable to the owner of a 2021 Series A Bonds) is excludable from gross income for federal income tax purposes and 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 Authority and the Borrower with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the 2021 Series A Bonds. Failure to comply with such requirements could cause interest on the 2021 Series A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2021 Series A Bonds. The Authority and the Borrower have covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the 2021 Series A Bonds.

The accrual or receipt of interest on the 2021 Series A Bonds may otherwise affect the federal income tax liability of the owners of the 2021 Series A 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 2021 Series A 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 2021 Series A Bonds.

Bond Counsel is further of the opinion that the interest on the 2021 Series A Bonds is exempt from State of California personal income taxation. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the 2021 Series A Bonds under the laws of the State of California or any other state or jurisdiction.

A copy of the form of opinion of Bond Counsel is attached hereto as Appendix B.

Original Issue Discount. The 2021 Series A Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the "Discount Bonds"), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

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The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, (b) less the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such bonds for a price that is higher or lower than the “adjusted issue price” of the bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

**Original Issue Premium.** The 2021 Series A Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser’s basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

**Recognition of Income Generally.** Section 451 of the Code was amended by Pub. L. No. 115-97, enacted December 22, 2017 (sometimes referred to as the Tax Cuts and Jobs Act), to provide that taxpayers using an accrual method of accounting for federal income tax purposes generally will be required to include certain amounts in income, including original issue discount, no later than the time such amounts are reflected on certain financial statements of such taxpayer. The application of this rule may require the accrual of income earlier than would have been the case prior to the amendment of Section 451 of the Code. The rule generally applies to taxable years after 2017, except that in the case of income from a debt instrument having original issue discount, the rule does not apply until taxable years after 2018. Investors should consult their own tax advisors regarding the application of this rule and its impact on the timing of the recognition of income related to the 2021 Series A Bonds under the Code.

**Backup Withholding.** As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the 2021 Series A 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 2021 Series A Bonds that fails 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 2021 Series A Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

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 2021 Series A 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 2021 Series A 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 2021 Series A Bonds or the market value thereof would be impacted thereby. Purchasers of the 2021 Series A 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 2021 Series A 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.

RATING

S&P Global Ratings (“S&P”) is expected to assign the 2021 Series A Bonds the ratings set forth on the cover hereof.

An explanation of the significance of such ratings may be obtained from the Rating Agency at 55 Water Street, 38th Floor, New York, NY 10041-0003. The ratings of the 2021 Series A Bonds reflect only the views of the Rating Agency at the time such ratings were given, and none of the Authority, the Borrower or the Underwriter makes any representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the Rating Agency, if in its judgment, circumstances (including the financial status of any investment agreement provider) so warrant. Any such downward revision or withdrawal of the ratings (or either of them) may have an adverse effect on the market price of the 2021 Series A Bonds.

UNDERWRITING

Pursuant to a Bond Purchase Agreement among the Authority, the Borrower, and Raymond James & Associates, Inc. (the “Underwriter”), the Underwriter has agreed to purchase the 2021 Series A Bonds at the purchase prices set forth on the inside front cover hereof plus accrued interest to the date of purchase. For its services, the Underwriter shall be paid by the Borrower an Underwriter fee equal to $_______ (inclusive of $_______ for certain fees and expenses). The Underwriter fee includes the fee of the Underwriter’s counsel. The Bond Purchase Agreement provides that the Underwriter shall purchase all of the 2021 Series A Bonds if any are purchased, and that such obligation to purchase the 2021 Series A Bonds is subject to certain terms and conditions set forth in such Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The initial offering prices set forth on the inside cover page hereof may be changed from time to time by the Underwriter, the Underwriter may join with dealers and other underwriters in offering the 2021 Series A Bonds, and the Underwriter may offer and sell 2021 Series A Bonds to certain dealers (including dealer banks and dealers depositing 2021 Series A Bonds in investment trusts) and others at prices lower than the public offering prices stated on the inside cover of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

The Borrower has agreed, pursuant to the Bond Purchase Agreement, to indemnify the Underwriter and the Authority against certain liabilities relating to this Official Statement.

The Underwriter does not guarantee a secondary market for the 2021 Series A Bonds and is not obligated to make any such market for the 2021 Series A Bonds. No assurance can be made that such a market will develop or continue. Consequently, investors may not be able to resell 2021 Series A Bonds should they need or wish to do so for emergency or other purposes.
The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates may have, from time to time, performed, and may in the future perform, various investment banking services either for the Authority and/or the Borrower and affiliates thereof, for which they received or will receive customary fees and expenses.

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

The Underwriter is not acting as financial advisor to the Authority or the Borrower in connection with the offer and sale of the 2021 Series A Bonds.

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

CONTINUING DISCLOSURE

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the “Rule”) the Borrower has agreed pursuant to a Continuing Disclosure Agreement dated as of January 1, 2021 with the Authority as dissemination agent (the “Dissemination Agent”), to be delivered on the date of delivery of the 2021 Series A Bonds, to cause certain financial and operating information to be provided through the Dissemination Agent to the Municipal Securities Rulemaking Board (the “MSRB”) via the Electronic Municipal Marketing Access (“EMMA”) System. The Borrower has not previously been subject to the Rule.

The Authority has posted annual financial information required by its existing undertakings on a timely basis but in certain instances some CUSIPs were not appropriately linked to such annual financial information. On a couple of occasions, the Authority has failed to timely file notices of rating changes. Corrective filings have since been made on EMMA. The Authority has determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the 2021 Series A Bonds or to any decision to purchase, hold or sell the 2021 Series A Bonds and the Authority will not provide any such information. The Borrower has undertaken all responsibility for any continuing disclosure to holders of the 2021 Series A Bonds as described above, and the Authority shall have no liability to the holders of the 2021 Series A Bonds or any other person with respect to the Rule. See “FORM OF CONTINUING DISCLOSURE AGREEMENT” in Appendix D hereto.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The references herein to the Act, the Indenture, the Loan Agreement, the Note, the Mortgages, the Tax Agreement, and other documents are brief outlines of certain provisions thereof. Such outlines do not purport to be complete or comprehensive and for a full and complete statement of the provisions thereof, reference is made to the Act and such documents, copies of which documents are attached in Appendix A will be on file at the designated office of the Trustee following delivery of the 2021 Series A Bonds or the Underwriter as noted herein during the initial offering of the 2021 Series A Bonds.

The agreement of the Authority with the Holders of the 2021 Series A Bonds is fully set forth in the Indenture, and this Official Statement is not to be construed as constituting any agreement with the purchasers of the 2021 Series A Bonds. Insofar as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such, and not as representations of fact.
The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements.

The Borrower has reviewed the information contained herein which relates to it, the Projects and has approved all such information for use within this Official Statement.

The Authority has not participated in the preparation of this Official Statement and has not verified the accuracy of the information contained herein, other than the information respecting the Authority contained under “THE AUTHORITY” and “LITIGATION – The Authority.” The Authority’s consent to the distribution of this Official Statement does not constitute approval of the information contained herein, other than that information relating to the Authority, or a representation of the Authority as to the completeness or accuracy of the information contained herein.

[Signature Page to Follow]
The execution, delivery and distribution of this Official Statement have been duly authorized by the Borrower.

HOUSING OPPORTUNITY CORPORATION

By:

Name: Tina Smith-Booth
Title: President
APPENDIX B

FORM OF BOND COUNSEL OPINION

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

[TO BE PROVIDED]
APPENDIX C

HISTORICAL FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED
DECEMBER 2018 AND 2019

BELLA VISTA PROJECT (AUDITED)

CLEMSON-CORBETT PROJECT (AUDITED)

LAVETA TERRACE PROJECT (AUDITED)

UNION TOWER PROJECT (AUDITED)

TOBIAS APARTMENTS PROJECT (AUDITED)
APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

$11,500,000*
Housing Authority of the City of Los Angeles
Mortgage Revenue Refunding Bonds
(Union Portfolio Project)
2021 Series A

THIS CONTINUING DISCLOSURE AGREEMENT, dated as of January 1, 2021 (this "Continuing Disclosure Agreement"), is executed and delivered by the Housing Opportunity Corporation, (the "Obligated Party"), and the Housing Authority of the City of Los Angeles, as Dissemination Agent (the "Dissemination Agent"), in connection with the issuance by the Housing Authority of the City of Los Angeles (the "Authority") of the above-captioned bonds (the "2021 Series A Bonds").

WITNESSETH:

WHEREAS, in connection with the issuance of the 2021 Series A Bonds, the Obligated Party has agreed to enter into this Continuing Disclosure Agreement to provide certain financial and operating information, as well as notice of the occurrence of certain events, during the life of the 2021 Series A Bonds, all in accordance with section (b)(5) of the Rule (as hereinafter defined); and

WHEREAS, the Obligated Party desires to appoint the Housing Authority of the City of Los Angeles, as Dissemination Agent to assist the Obligated Party with carrying out its obligations under this Continuing Disclosure Agreement, and the Housing Authority of the City of Los Angeles, is willing to accept such appointment in accordance with the terms hereof.

NOW, THEREFORE, IN CONSIDERATION OF THE COVENANTS AND PROMISES HEREIN CONTAINED, the Obligated Party and the Dissemination Agent agree as follows:

Section 1. Purpose of this Continuing Disclosure Agreement. This Continuing Disclosure Agreement is being executed and delivered by the Obligated Party and the Dissemination Agent for the benefit of the Beneficial Owners of the 2021 Series A Bonds and to assist the Participating Underwriter (as defined herein) in complying with the Rule. The Obligated Party represents that it is the only Obligated Person (as defined in the Rule) with respect to the 2021 Series A Bonds and that no other person is expected to become an Obligated Person at any time after the issuance of the 2021 Series A Bonds.

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

"Annual Financial Information" means the financial information and operating data described in Section 4 and in Exhibit A hereto.

"Annual Report" means the Annual Financial Information and the Audited Financial Statements for any Fiscal Year, as more fully described in Section 4 hereof.

"Annual Report Date" means, October 27th of each year.

"Annual Report Disclosure" means the dissemination of the Annual Report as set forth in Section 4 hereof.

* Preliminary; subject to change.
"Annual Reporting Certificate" means the certificate of the Obligated Party with respect to its Annual Report, the form of which is attached hereto as Exhibit B.

"Audited Financial Statements" means the audited financial statements of the Project, prepared pursuant to the standards and as described in Section 4 hereof.

"Authorizing Instrument" means the Trust Indenture dated as of January 1, 2021, by and between MUFG Union Bank, and the Authority, which sets forth the terms of the 2021 Series A Bonds.

"Beneficial Owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, the 2021 Series A Bonds (including persons holding such 2021 Series A Bonds through nominees, depositaries or other such intermediaries).

"Business Day" means any day other than a Saturday, Sunday, legal holiday or a day on which the Dissemination Agent or banking institutions in New York, New York are authorized or required by law to close.

"Commission" means the Securities and Exchange Commission.

"EMMA" means the MSRB’s Electronic Municipal Market Access system for municipal securities disclosure, currently located at http://emma.msrb.org. Until otherwise designated by the MSRB or the Commission, filings with the MSRB are to be made through the EMMA website.


"Listed Events" means any of the events with respect to the 2021 Series A Bonds described in Section 5(a) hereof.

"Listed Events Disclosure" means dissemination of a notice of the occurrence of a Listed Event as set forth in Section 5 hereof.

"Material" with respect to information, means information as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the offering document related to the 2021 Series A Bonds, information disclosed hereunder, or information generally available to the public. Notwithstanding the foregoing, "Material" information includes information that would be deemed "material" for purposes of the purchase or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the information.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Commission to receive reports pursuant to the Rule.

"New Projects" means the Martel Apartments Project located at 1643 N. Martel Avenue, Los Angeles, CA 90046 and Parthenia Apartments Project, located at 15230 Parthenia Street, Los Angeles, CA 91343.

"Participating Underwriter" means Raymond James & Associates, Inc. and each other broker, dealer or municipal securities dealer acting as an underwriter in any primary offering of the 2021 Series A Bonds.

"Prescribed Form" means, with regard to the filing of the Annual Report, each notice of the occurrence of a Listed Event and other notices described herein with the MSRB, such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"Project" and "Projects" means (i) the sites, together with the improvements constructed thereon, initially consisting of four residential rental facilities and related support facilities, including all buildings, structures and improvements now or hereafter constructed thereon, and all fixtures, machinery, equipment, furniture, furnishings and
other personal property hereafter attached to, located in, or used in connection with any such structures, buildings or improvements, and all additions, substitutions and replacements thereto, whether now owned or hereafter acquired and (ii) the New Projects. The term "Projects" do not include property owned by Persons other than the Borrower, including the Property Manager, or residents of the Projects.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of California.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the final maturity of the 2021 Series A Bonds is ______________. The final Official Statement relating to the 2021 Series A Bonds is dated January ___, 2021 (the "Final Official Statement").


(a) Provision of Annual Report.

(i) On or before each Annual Report Date, the Obligated Party shall provide, or shall cause the Dissemination Agent to provide, to the MSRB, the Annual Report. The Annual Report shall be submitted in Prescribed Form, and it may cross-reference other information as provided in Section 4(b) below. The Audited Financial Statements may be submitted separately from the balance of the Annual Report if not available by the Annual Report Date. The Annual Financial Information need not be separately provided if included in the Audited Financial Statements. The Annual Report shall identify the 2021 Series A Bonds by name and CUSIP number.

(ii) No: later than forty-five (45) days prior to each Annual Report Date, the Dissemination Agent shall submit to the Obligated Party the form of Annual Reporting Certificate attached hereto as Exhibit B and shall request that the Obligated Party return the completed certificate along with the Annual Report prior to the date set forth in subsection 4(a)(iii) below.

(iii) No: later than fifteen (15) days prior to the Annual Report Date, the Obligated Party shall provide the Annual Report and the completed Annual Reporting Certificate to the Dissemination Agent. Promptly upon its receipt of the Annual Report, but no later than the Annual Report Date, the Dissemination Agent shall send the Annual Report to the MSRB in Prescribed Form. The Dissemination Agent shall notify the Obligated Party in writing (including electronic mail) of the date the Dissemination Agent provided the Annual Report to the MSRB.

(iv) If the Dissemination Agent has not received a copy of the Annual Report by the date set forth in subsection (a)(iii) above, the Dissemination Agent shall contact the Obligated Party to determine if the Obligated Party has submitted the Annual Report as required by subsection (a)(i) above. If the Dissemination Agent is unable to verify that the Annual Report has been provided to the MSRB by the Annual Report Date, the Dissemination Agent shall send a notice to the MSRB and the Obligated Party in substantially the form attached as Exhibit C not later than ten (10) days after the Annual Report Date.

(b) Contents of Annual Report.

(i) The Annual Report prepared at the direction of the Obligated Party shall contain (or incorporate by reference as described below) the following: (A) the Audited Financial Statements of the Project for the previous Fiscal Year, prepared in accordance with generally accepted accounting principles; provided that if the Audited Financial Statements of the Project are not available prior to the Annual Report Date, then (I) the Obligated Party shall file, or shall cause the Dissemination Agent to file, unaudited financial statements, if prepared, and (II) the Audited Financial Statements shall be provided to the MSRB when they become available, and (B) the
Annual Financial Information specified on Exhibit A hereto for the previous Fiscal Year; provided, however, that to the extent all or portions of the Annual Financial Information are included in the Audited Financial Statements, such information need not be separately provided, but the Obligated Person shall file, or shall cause the Dissemination Agent to file, a notice to such effect to accompany the Audited Financial Statements.

(ii) Any or all of the items listed above may be included by specific reference to other documents, including official statements or prospectuses of debt issues of the Obligated Party or related public entities, which have been previously provided to the MSRB or the Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The Obligated Party shall clearly identify in the Annual Report each such other document so included by reference.

(iii) If any part of the Annual Report can no longer be generated because the operations to which they are related have been materially changed or discontinued, the Obligated Party will provide notice of the same to the MSRB in Prescribed Form for the year in which such event first occurs.

Section 5. Disclosure of Listed Events.

(a) Upon the occurrence of any of the following Listed Events, the Obligated Party (or the Dissemination Agent on behalf of the Obligated Party) shall give notice of the occurrence of such event to the MSRB in accordance with this Section 5:

(i) principal and interest payment delinquencies;

(ii) nonpayment related defaults, if Material;

(iii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) unscheduled draws on credit enhancements reflecting financial difficulties;

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

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the 2021 Series A Bonds, or other material events affecting the tax status of the 2021 Series A 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 2021 Series A Bonds, if Material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of the Obligated Party;

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

(xiv) appointment of a successor or additional Trustee/Paying Agent or the change of name of a Trustee/Paying Agent, if Material;

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

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

Notwithstanding the foregoing: notice of the occurrence of any Listed Event described in (viii) or (ix) above need not be given under this Section 5 any earlier than when notice (if any) of the underlying event is given to the registered owners of the affected 2021 Series A Bonds pursuant to the Authorizing Instrument; and notice of any scheduled sinking fund redemption in accordance with the schedule set forth in the Authorizing Instrument or the Final Official Statement need not be given under this Continuing Disclosure Agreement.

(b) Within one (1) Business Day of obtaining actual knowledge of the occurrence of a Listed Event, the Dissemination Agent shall contact the Obligated Party, inform such person of the occurrence of such event, and request that the Obligated Party promptly notify the Dissemination Agent in writing whether to report the occurrence of the Listed Event pursuant to subsection 5(f).

(c) When the Obligated Party obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Dissemination Agent pursuant to subsection 5(b) or otherwise, the Obligated Party shall promptly determine whether notice of such occurrence is required to be disclosed pursuant to the Rule.

(d) If the Obligated Party determines that the occurrence of a Listed Event is required to be disclosed pursuant to the Rule, the Obligated Party shall promptly instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection 5(f).

(e) If, in response to a request from the Dissemination Agent pursuant to subsection 5(b), the Obligated Party determines that the occurrence of a Listed Event is not required to be disclosed pursuant to the Rule, the Obligated Party shall promptly direct the Dissemination Agent in writing not to report the occurrence pursuant to subsection (f).

(f) If the Obligated Party has instructed the Dissemination Agent to report the occurrence of a Listed Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB in Prescribed Form not later than ten (10) Business Days after the occurrence of the Listed Event; provided, however, that (a) the Dissemination Agent shall be allowed a minimum of one (1) Business Day to prepare and file a notice of a Listed Event if the Obligated Party has notified the Dissemination Agent before 11:00am local time and (b) the Dissemination Agent shall be allowed a minimum of two (2) Business Days to prepare and file a notice of a Listed Event in the event the Obligated Party has notified the Dissemination Agent after 11:00am local time, which time frame shall be in addition to any time that the Dissemination Agent is waiting on the Obligated Party to provide the Dissemination Agent with the information necessary to fully prepare and complete such notice of a Listed Event.

(g) If the Obligated Party provides the Dissemination Agent with additional information in accordance with Section 9 hereof and directs the Dissemination Agent to deliver such information to the MSRB, the Dissemination Agent shall deliver such information in a timely manner to the MSRB in Prescribed Form.
Section 6. Termination of Reporting Obligation. The Obligated Party’s obligations under this Continuing Disclosure Agreement shall terminate when the Obligated Party shall have no legal liability for any obligation on or relating to the repayment of the 2021 Series A Bonds, including a legal defeasance of the 2021 Series A Bonds.

Section 7. Dissemination Agent. The Obligated Party has appointed the Housing Authority of the City of Los Angeles as Dissemination Agent to assist the Obligated Party with carrying out its obligations under this Continuing Disclosure Agreement and the Housing Authority of the City of Los Angeles has accepted its appointment as Dissemination Agent. The Obligated Party may discharge the Dissemination Agent upon 30 days’ written notice to the Dissemination Agent, with or without appointing a successor. The Obligated Party may appoint additional Dissemination Agents without the consent of any existing Dissemination Agent. The Dissemination Agent may resign hereunder upon 30 days’ written notice to the Obligated Party. If at any time during the term of this Continuing Disclosure Agreement the Obligated Party has not appointed a Dissemination Agent, then the Obligated Party shall be deemed to be the Dissemination Agent and shall be solely responsible for all obligations hereunder.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Obligated Party pursuant to this Continuing Disclosure Agreement. The Obligated Party agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys’ fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the Obligated Party under this Section shall survive resignation or removal of the Dissemination Agent and payment of the 2021 Series A Bonds.

Section 8. Amendment or Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Obligated Party and the Dissemination Agent may amend this Continuing Disclosure Agreement (and, to the extent that any such amendment does not materially change or increase its obligations hereunder, the Dissemination Agent shall agree to any amendment so requested by the Obligated Party), and any provision of this Continuing Disclosure Agreement may be waived, if (a) permitted by the Rule or (b):

(i) The amendment or waiver is 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 the Obligated Party or the type of business conducted;

(ii) This Continuing Disclosure Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering of the 2021 Series A Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver either (A) is approved by the Bondholders in the same manner as provided in the Authorizing Instrument for amendments thereto with the consent of Bondholders, or (B) does not, in the opinion of the Dissemination Agent or nationally recognized bond counsel, materially impair the interests of the Bondholders.

Following any amendment or waiver of a provision of this Continuing Disclosure Agreement, the Obligated Party shall give notice in the same manner as for the occurrence of a Listed Event under subsection 5(f) and shall include, as applicable, an 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 or operating data being presented by the Obligated Party in the Annual Report.

Section 9. Dissemination of Additional Information. The Obligated Party may disseminate, or may cause the Dissemination Agent to disseminate, additional information with the Annual Report, notice of the occurrence of an event other than a Listed Event, or any other information in addition to that which is required by this Continuing Disclosure Agreement by means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication. Such information shall be provided in Prescribed Form. The Obligated Party shall have
Section 10. Default. If the Obligated Party or the Dissemination Agent fails to comply with any provision of this Continuing Disclosure Agreement, the Trustee may seek specific performance by court order to cause the Obligated Party or the Dissemination Agent, as applicable, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an Event of Default under the Authorizing Instrument, and the sole remedy under this Continuing Disclosure Agreement upon any failure of the Obligated Party or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 11. Transmission of Information and Notices. Notwithstanding anything in this Continuing Disclosure Agreement to the contrary, unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in Prescribed Form. The Dissemination Agent shall determine each year prior to the Annual Report Date whether a change has occurred in the MSRB’s email address or filing procedures and requirements under the Rule or with respect to EMMA.

Section 12. Beneficiaries. This Continuing Disclosure Agreement shall inure solely to the benefit of the Obligated Party, the Dissemination Agent, each Participating Underwriter and the Beneficial Owners of the 2021 Series A Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Obligated Party and the Dissemination Agent shall maintain records of all Annual Report Disclosures and Listed Event Disclosures, including the content of such disclosures, the names of the entities with whom such disclosure was filed and the date of filing such disclosure. Such records shall be kept for at least five years after the respective dates of such filings.

Section 14. Assignment. The Obligated Party shall not transfer its obligations under this Continuing Disclosure Agreement unless the transferee agrees to assume all obligations of the Obligated Party under this Continuing Disclosure Agreement or to execute a continuing disclosure undertaking under the Rule. Any corporation or association (a) into which the Dissemination Agent is merged or with which it is consolidated, (b) resulting from any merger or consolidation to which the Dissemination Agent is a party, or (c) succeeding to all or substantially all of the corporate trust business of the Dissemination Agent shall be the successor Dissemination Agent without the execution or filing of any document or the taking of any further action.

Section 15. Compensation. The Dissemination Agent shall receive the annual Dissemination Agent Fee, unless waived by the Dissemination Agent (as defined and set forth in the Authorizing Instrument); provided, however, that if the Obligated Party has the Dissemination Agent file more than one notice of a Listed Event under Section 5 hereof within a given calendar year or if the Obligated Party has the Dissemination Agent file any additional information under Section 9 hereof in filings that are filed separately from the scheduled filing of the Annual Report or from the notice of a Listed Event, then the Dissemination Agent shall be separately compensated, unless waived by the Dissemination Agent, for such additional filings in such amount(s) as the Obligated Party and the Dissemination Agent shall agree.

Section 16. Notices. All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail) to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below, with confirmation of transmission, indicated below:

If to the Obligated Party, at:

Housing Opportunity Corporation
c/o Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 4th Floor
Los Angeles, CA 90057
Attention: Tina Smith-Booth, President

If to Dissemination Agent, at:

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 3rd Floor
Los Angeles, CA 90057
Attention: Chief Administrative Officer

With copy to:

Housing Authority of the City of Los Angeles
2600 Wilshire Boulevard, 3rd Floor
Los Angeles, CA 90057
Attention: Bond Manager

Section 17. Governing Law. The provisions of this Continuing Disclosure Agreement shall be governed by the laws of the State.

Section 18. 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.

[Signature pages to follow]
EXECUTED AND DATED on behalf of the Obligated Party and the Dissemination Agent by their duly authorized representatives as of the date first written above.

HOUSING OPPORTUNITY CORPORATION

By: ________________________________
Name: Tina Smith-Booth
Title: President

[Signature Page to Continuing Disclosure Agreement]
By: ________________________________
Name: Douglas Guthrie
Title: President and Chief Executive Officer

[Signature Page to Continuing Disclosure Agreement]
EXHIBIT A

CONTENTS OF ANNUAL FINANCIAL INFORMATION

"Annual Financial Information" means updates of the following tabular information contained in the body of the Official Statement, to the extent not otherwise included in the Audited Financial Statements:

- INTRODUCTION—Existing HAP Contracts
- THE BORROWER AND THE PROJECTS—Bella Vista Project Unit Mix Table
- THE BORROWER AND THE PROJECTS—Clemson-Corbett Project Unit Mix Table
- THE BORROWER AND THE PROJECTS—Laveta Terrace Project Unit Mix Table
- THE BORROWER AND THE PROJECTS—Union Tower Project Unit Mix Table
- THE BORROWER AND THE PROJECTS—Tobias Apartments Project Unit Mix Table
- THE BORROWER AND THE PROJECTS—Martel Apartments Project Unit Mix Table
- THE BORROWER AND THE PROJECTS—Parthenia Apartments Project Unit Mix Table

- THE BORROWER AND THE PROJECTS—Occupancy—Bella Vista Historical Occupancy Trends
- THE BORROWER AND THE PROJECTS—Occupancy—Clemson-Corbett Historical Occupancy Trends
- THE BORROWER AND THE PROJECTS—Occupancy—Laveta Terrace Historical Occupancy Trends
- THE BORROWER AND THE PROJECTS—Occupancy—Union Tower Historical Occupancy Trends
- THE BORROWER AND THE PROJECTS—Occupancy—Tobias Apartments Historical Occupancy Trends
- THE BORROWER AND THE PROJECTS—Occupancy—Martel Apartments Project Historical Occupancy Trends
- THE BORROWER AND THE PROJECTS—Occupancy—Parthenia Apartments Project Historical Occupancy Trends

To the extent all or portions of the Annual Financial Information are included in the Audited Financial Statements, such information need not be separately provided, but the Obligated Party shall file, or shall cause the Dissemination Agent to file, a notice to such effect to accompany the Audited Financial Statements.
EXHIBIT B
FORM OF ANNUAL REPORTING CERTIFICATE

DATE: ______________

Housing Authority of the City of Los Angeles
Los Angeles, California

Re: Housing Authority of the City of Los Angeles Mortgage Revenue Refunding Bonds (Union Portfolio Project), 2021 Series A

Pursuant to the Continuing Disclosure Agreement, dated as of January 1, 2021 (the "Continuing Disclosure Agreement"), between the Housing Opportunity Corporation (the "Obligated Party") and the Housing Authority of the City of Los Angeles, as dissemination agent (the "Dissemination Agent"), the Obligated Party has agreed to provide:

Audited Financial Statements of the Project and updates to specific financial information and operating data set forth in Exhibit A to the Continuing Disclosure Agreement.

Attached hereto are the Audited Financial Statements of the Project for the Fiscal Year ended December 31, 20___.

The Obligated Party has provided or hereby provides the Dissemination Agent with the information required by Exhibit A to the Continuing Disclosure Agreement checked below, and such information either is included in the Audited Financial Statements or is provided in a separate report or document attached to this Certificate:

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<td>INTRODUCTION—Existing HAP Contracts</td>
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<td>THE BORROWER AND THE PROJECTS—Occupancy—Bella Vista Project Historical Occupancy Trends</td>
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<td>THE BORROWER AND THE PROJECTS</td>
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<td>THE BORROWER AND THE PROJECTS</td>
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<td>THE BORROWER AND THE PROJECTS</td>
<td>Occupancy—Parthenia Apartments Project Historical Occupancy Trends</td>
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</table>

[Signature pages to follow]
HOUSING OPPORTUNITY CORPORATION

By: ____________________________
Name: Tina Smith-Booth
Title: President
EXHIBIT C
NOTICE OF FAILURE TO FILE ANNUAL REPORT

<table>
<thead>
<tr>
<th>Name of Obligated Party:</th>
<th>Housing Opportunity Corporation</th>
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<tr>
<td>Name of Bond Issue:</td>
<td>Housing Authority of the City of Los Angeles Mortgage Revenue Bonds (Union Portfolio Project), 2021 Series A</td>
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<tr>
<td>Date of Issuance:</td>
<td>________, 2021</td>
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<tr>
<td>BASE CUSIP 2021 Series A Bonds:</td>
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</table>

NOTICE IS HEREBY GIVEN that the Obligated Party has not provided the Annual Report with respect to the above-named 2021 Series A Bonds as required by the Continuing Disclosure Agreement relating to such 2021 Series A Bonds, between the Obligated Party and the Dissemination Agent. The Obligated Party anticipates that the Annual Report will be filed by ____________________.

Dated:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, on behalf of the Obligated Party

By: ____________________

cc: [Obligated Party]
APPENDIX E

APPRAISAL OF MARTEL APARTMENTS PROJECT
APPRAISAL OF THE PARTHENIA APARTMENTS PROJECT
EXHIBIT E

Purchase Agreement between the Authority and the Corporation
PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT ("Agreement"), is made and entered into as of __________, 202[ ] (the "Effective Date") by and between HOUSING AUTHORITY OF THE CITY OF LOS ANGELES, a public body, corporate and politic, duly created, established and authorized to transact business under the laws of the State of California ("Seller"), and the HOUSING OPPORTUNITY CORPORATION, an instrumentality of the Seller and a nonprofit public benefit corporation duly organized and existing under the laws of the State of California ("Buyer").

In consideration of this Agreement, Seller and Buyer agree as follows:

1. Sale of Property. Seller agrees to sell to Buyer, and Buyer agrees to buy from Seller, the following property (collectively, the “Property”):

1.1. Real Property. The real property located at (i) 1643 N. Martel Avenue, Los Angeles, California 90046 and (ii) 15230 Parthenia Street, Los Angeles, California 91343, all as legally described on Exhibit A attached hereto (collectively, the “Land”), together with (1) all buildings and improvements constructed or located on the Land (the “Buildings”), and (2) all easements and rights benefiting or appurtenant to the Land (collectively, the “Real Property”).

1.2. Personal Property. All of the personal property owned by Seller and situated in or about the Real Property including, without limitation, (1) all furniture, furnishings, fixtures, equipment, tools, supplies, and other tangible personal property presently affixed to and/or located at or on the Real Property, and which is used in connection with the management, operation, or repair of the Real Property, or replacements of those items as permitted under this Agreement and (2) any and all refundable tenant security deposits (and required interest thereon) with respect to the Leases (as below defined) and Contracts (as below defined) as of the Closing Date, which are held or controlled by Seller in connection with the Property (the “Personal Property”).

1.3. Leases and Deposits. Seller’s interest as lessor in all of the leases related to the Real Property (the “Leases”), and all refundable security deposits or other refundable deposits collected from tenants, together with any interest required by law to be paid ("Deposits").

1.4. Contracts, Permits, Warranties, Records, Miscellaneous. Seller’s interest in the following items, all of which relate to the Property: all service and maintenance contracts, equipment leases and other contracts (the “Contracts”); all permits, licenses, and trade names (the “Permits”); all warranties and guaranties relating to the Property (the “Warranties”); and all business records, including management, leasing, real estate taxes, assessments, insurance, rents, maintenance, repairs, capital improvements and services (the “Records”).
2. **Purchase Price and Manner of Payment.** The total purchase price to be paid for the Property shall be One and No/100 Dollars ($1.00) (the "Purchase Price"). The Purchase Price shall be paid in full by Buyer to Seller in cash, certified check, cashier's check, or by wire transfer of funds on the Closing Date.

3. **Buyer's Contingencies.** The obligations of Buyer under this Agreement are contingent upon each of the following:

   3.1. **Representations and Warranties.** All of Seller's representations and warranties set forth in this Agreement shall be true and accurate as of the date of the Closing.

   3.2. **Title.** Buyer shall have had an opportunity to review and approve a Commitment for Title Insurance ("Commitment") covering the Property for the amount of the Purchase Price. The Commitment shall include legible copies of underlying title documents affecting the Property.

   3.3. **Performance of Covenants.** Seller shall have observed and performed all of Seller's covenants and agreements set forth in this Agreement.

4. **Closing.** The closing of the sale of the Property (the "Closing") shall take place through the office of Commonwealth Land Title Company, 888 S. Figueroa Street, Suite 2100, Los Angeles, California 90017 (the "Escrow Agent") on a date agreed to by Seller and Buyer, which date shall not be later than ten (10) business days after all conditions to Closing for the Property have been satisfied. If the scheduled day for Closing falls on a weekend day or upon a banking holiday, Closing will be held on the next business day thereafter. Seller agrees to deliver possession of the Property to Buyer on the Closing Date.

   4.1. **Seller's Closing Documents.** On the Closing Date, Seller shall execute and deliver to Buyer the following documents (collectively, the "Seller's Closing Documents"), all in form and content reasonably satisfactory to Buyer:

       4.1.1. **Deed.** A Grant Deed conveying the Real Property to Buyer, free and clear of all encumbrances, except the Permitted Encumbrances hereafter defined (the "Deed").

       4.1.2. **Bill of Sale.** A Bill of Sale conveying the Personal Property to Buyer, free and clear of all encumbrances other than the Permitted Encumbrances.

       4.1.3. **Closing Statement.** A Closing Statement to be signed by both Seller and Buyer.

       4.1.4. **Assignment of Leases.** An Assignment of Leases conveying with warranties the Leases and any security deposits, prepaid rents or collections and guarantees regarding the Leases to Buyer, free and clear of all encumbrances.

       4.1.5. **Assignment of Contracts, Permits, Warranties and Miscellaneous Documents.** An Assignment of Contracts, Permits, Warranties and
miscellaneous documents (including without limitation name rights) conveying Seller’s interest to Buyer together with the consent of all parties having a right to consent to such Assignment.

4.1.6. **Deposits and Prepaid Rents.** All Deposits (plus statutory interest earned thereon required to be paid to tenants) and prepaid rents under the Leases, including valid transfers of any noncash securities or documents held for such purposes, together with notices to tenants and third parties of such transfers.

4.1.7. **Notice to Tenants.** Seller and Buyer shall agree upon the form of written notice to be sent to the residents of the Property notifying them of the sale of the Property and the name and address of the Buyer as the new owner of the Property, which notice shall be distributed by the Buyer following the Closing Date.

4.1.8. **Other Documents.** All other documents reasonably determined by Buyer or the Title Company to be necessary to transfer the Property to Buyer free and clear of all encumbrances other than the Permitted Encumbrances (defined below).

4.2. **Buyer’s Closing Documents.** On the Closing Date, Buyer will execute and deliver to Seller the following (collectively, the “Buyer’s Closing Documents”):

4.2.1. **Purchase Price.** The Purchase Price by cash, certified check, cashier’s check, or wire transfer.

4.2.2. **Closing Statement.** A Closing Statement to be signed by both Seller and Buyer.

4.2.3. **Other Documents.** All other Buyer documents necessary to close this transaction in accordance with the terms of this Agreement.

5. **Prorations.** Seller and Buyer agree to the following prorations and allocation of costs regarding this Agreement:

5.1. **Seller’s Expenses.** Seller shall pay in cash, on or before Closing, all costs of curing any title defects and all transfer taxes or documentary stamps associated with the recording of the Grant Deed.

5.2. **Buyer’s Expenses.** Buyer shall pay in cash, on or before Closing, the cost of the owner’s policy of title insurance to be issued pursuant to the Commitment; all escrow fees; all costs for inspections of the Property ordered or obtained by Buyer; all costs of recording the Grant Deed, including the real estate transfer taxes; all of Buyer’s attorney’s fees; and all other expenses stipulated to be paid by Buyer under other provisions of this Agreement.
5.3. **Real Estate Taxes and Special Assessments.** All Real Estate Taxes and Special Assessments, if any, payable in the years prior to the year in which the Closing occurs shall be paid by Seller. Real Estate Taxes payable in the year in which Closing occurs, and installments of Special Assessments payable therewith, shall be prorated between the Buyer and Seller based upon the Closing Date, except that if Buyer's lender shall require Special Assessments to be prepaid, Seller shall prepay the same on the Closing Date.

5.4. **Rents.** All rents and other charges under the Leases will be prorated as of the Closing Date. All other checking or savings account balances or other funds connected to the Property including, but not limited to, escrow funds and reserve or maintenance funds maintained by Seller or required to be maintained by any state or federal agency shall be retained by Seller.

5.5. **Other Costs.** All other operating costs of the Property shall be prorated between Seller and Buyer as of the Closing Date, so that Seller pays that part of operating costs payable before the Closing Date, and Buyer pays that part of operating costs payable from and after the Closing Date.

6. **Operation Prior to Closing.** During the period from the date of Seller's acceptance of this Agreement to the Closing Date (the "Executory Period"), Seller shall operate and maintain the Property in the ordinary course of business in accordance with prudent, reasonable business standards, including the maintenance of adequate liability insurance and insurance against loss by fire, windstorm and other hazards, casualties and contingencies, including vandalism and malicious mischief. Seller shall execute no contracts, leases (except tenant leases in the ordinary course of business) or other agreements regarding the Property during the Executory Period that are not terminable on or before the Closing Date, without the prior written consent of Buyer, which consent may be withheld by Buyer in its sole discretion.

7. **Casualty; Condemnation.** If all or any part of the Property is substantially damaged by fire, casualty, the elements, or any other cause, Seller immediately shall give notice to Buyer, and Buyer shall have the right to terminate this Agreement and receive back all Earnest Money by giving notice within thirty (30) days after Seller's notice. If Buyer shall fail to give notice of termination, then the parties shall proceed to Closing and Seller shall assign to Buyer all rights to insurance proceeds resulting from such event. If eminent domain proceedings are threatened or commenced against all or any part of the Property, Seller immediately shall give notice to Buyer, and Buyer shall have the right to terminate this Agreement and receive back all Earnest Money by giving notice within thirty (30) days after Seller's notice. If Buyer shall fail to give notice of termination, then the parties shall proceed to Closing and Seller shall assign to Buyer all rights to appear in and receive any award from such proceedings.

8. **Assignment.** Either party may assign its rights under this Agreement before or after the Closing Date. Any such assignment will not relieve such assigning party of its obligations under this Agreement except as may be agreed to expressly by the nonassigning party.
9. **Notices.** Any notice required or permitted hereunder shall be given by personal delivery upon an authorized representative of a party hereto; or if mailed in a sealed wrapper by United States registered or certified mail, return receipt requested, postage prepaid; or if transmitted by facsimile copy followed by mailed notice; or if deposited cost paid with a nationally recognized, reputable overnight courier, properly addressed as follows:

   **If to Buyer:**
   Housing Opportunity Corporation  
c/o Housing Authority of the City of Los Angeles  
2600 Wilshire Boulevard, 3rd Floor  
Los Angeles, CA 90057  
Attention: HOC President

   **If to Seller:**
   Housing Authority of the City of Los Angeles  
2600 Wilshire Boulevard, 3rd Floor  
Los Angeles, CA 90057  
Attention: Chief Administrative Officer

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit, as aforesaid; provided, however, that if notice is given by deposit, the time for response to any notice by the other party shall commence to run one (1) business day after any such deposit. Any party may change its address for the service of notice by giving notice of such change ten (10) days prior to the effective date of such change.

10. **Miscellaneous.** The paragraph headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement, and are not to be considered in interpreting this Agreement. This written Agreement constitutes the complete agreement between the parties and supersedes any prior oral or written agreements between the parties regarding the Property. There are no verbal agreements that change this Agreement, and no waiver of any of its terms will be effective unless in a writing executed by the parties. This Agreement binds and benefits the parties and their successors and assigns. This Agreement has been made under the laws of the State of California and such laws will control its interpretation.

11. **Remedies.** In the event Seller fails or refuses, in violation of this Agreement, to comply with any obligation or duty set forth herein, Buyer's remedies shall be to either (a) terminate this Agreement or (b) file an action for specific performance of this Agreement, provided, any such action must be filed within sixty (60) days from the date of such failure or refusal or such remedy shall be deemed waived by Buyer. In the event Buyer fails or refuses, in violation of this Agreement, to comply with any obligation or duty set forth herein, Seller's remedies shall be to terminate this Agreement.

   [THE REMAINDER OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.]
IN WITNESS WHEREOF, Seller and Buyer have executed this Purchase Agreement effective as of the Effective Date.

SELLER:

HOUSING AUTHORITY OF THE CITY OF LOS ANGELES

By: _________________________________

Name: Douglas Guthrie
Title: President and Chief Executive Officer
BUYER:

HOUSING OPPORTUNITY CORPORATION

By: ___________________________
Name: Tina Smith-Booth
Title: President

[Signature Page to Purchase Agreement]
EXHIBIT A

Legal Description

[To be inserted]