

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-24843

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

14301 FNB Parkway, Suite 211, Omaha, Nebraska
(Address of principal executive offices)

47-0810385
(I.R.S. Employer
Identification No.)

68154
(Zip Code)

(402) 952-1235
(Registrant's telephone number, including area code)

N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Beneficial Unit Certificates representing assignments of limited partnership interests in America First Multifamily Investors, L.P.	ATAX	The NASDAQ Stock Market, LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

As of October 31, 2022, the registrant had 22,247,456 Beneficial Unit Certificates representing assignments of limited partnership interests outstanding.

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Forward-Looking Statements

This Quarterly Report (including, but not limited to, the information contained in “Management’s Discussion and Analysis of Financial Condition and Results of Operations”) contains forward-looking statements. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. When used, statements which are not historical in nature, including those containing words such as “anticipate,” “estimate,” “should,” “expect,” “believe,” “intend,” and similar expressions, are intended to identify forward-looking statements. We have based forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. This report also contains estimates and other statistical data made by independent parties and by us relating to market size and growth and other industry data. This data involves several assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified the statistical and other industry data generated by independent parties contained in this report, and accordingly, we cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading “Risk Factors” in Item 1A of America First Multifamily Investors, L.P.’s Annual Report on Form 10-K for the year ended December 31, 2021 and in this report.

These forward-looking statements are subject, but not limited, to various risks and uncertainties, including those relating to:

- defaults on the mortgage loans securing our mortgage revenue bonds (“MRBs”) and governmental issuer loans (“GILs”);
- the competitive environment in which we operate;
- risks associated with investing in multifamily, student, senior citizen residential properties and commercial properties;
- general economic, geopolitical, and financial conditions, including the current and future impact of changing interest rates, inflation, international conflicts, and the novel coronavirus (“COVID-19”) on business operations, employment, and financial conditions;
- uncertain conditions within the domestic and international macroeconomic environment, including monetary and fiscal policy and conditions in the investment, credit, interest rate, and derivatives markets;
- adverse reactions in U.S. financial markets related to actions of foreign central banks or the economic performance of foreign economies, including in particular China, Japan, the European Union, and the United Kingdom;
- the general condition of the real estate markets in the regions in which we operate, which may be unfavorably impacted by increases in mortgage interest rates, slowing economic growth, persistent elevated inflation levels, and other factors;
- changes in interest rates and credit spreads, as well as the success of any hedging strategies we may undertake in relation to such changes, and the effect such changes may have on the relative spreads between the yield on our investments and our cost of financing;
- persistent inflationary trends, spurred by multiple factors including expansionary monetary and fiscal policy, high commodity prices, a tight labor market, and low residential vacancy rates, which may result in further interest rate increases and lead to increased market volatility;
- our ability to access debt and equity capital to finance our assets;
- current maturities of our financing arrangements and our ability to renew or refinance such financing arrangements;
- potential exercising of redemption rights by the holders of the Series A Preferred Units;
- local, regional, national and international economic and credit market conditions;
- recapture of previously issued Low Income Housing Tax Credits (“LIHTCs”) in accordance with Section 42 of the Internal Revenue Code (“IRC”);
- geographic concentration of properties related to our investments; and
- changes in the U.S. corporate tax code and other government regulations affecting our business.

Other risks, uncertainties and factors could cause our actual results to differ materially from those projected in any forward-looking statements we make. We are not obligated to publicly update or revise any forward-looking statements, whether because of new information, future events or otherwise.

All references to “we,” “us,” “our” and the “Partnership” in this report mean America First Multifamily Investors, L.P. (“ATAX”), its wholly owned subsidiaries and its consolidated variable interest entities. See Item 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of this report for additional details.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	September 30, 2022	December 31, 2021
Assets:		
Cash and cash equivalents	\$ 103,203,582	\$ 68,285,501
Restricted cash	45,850,046	83,646,969
Interest receivable, net	9,402,254	9,234,412
Mortgage revenue bonds held in trust, at fair value (Note 6)	675,905,519	750,934,848
Mortgage revenue bonds, at fair value (Note 6)	19,163,911	42,574,996
Governmental issuer loans (Note 7)	281,275,255	184,767,450
Real estate assets: (Note 8)		
Land and improvements	7,417,772	7,411,079
Buildings and improvements	73,921,801	72,998,475
Real estate assets before accumulated depreciation	81,339,573	80,409,554
Accumulated depreciation	(22,740,549)	(20,701,922)
Net real estate assets	58,599,024	59,707,632
Investments in unconsolidated entities (Note 9)	103,103,246	107,793,522
Property loans, net of loan loss allowances (Note 10)	123,867,490	68,101,268
Other assets (Note 12)	29,716,668	10,862,885
Total Assets	\$ 1,450,086,995	\$ 1,385,909,483
Liabilities:		
Accounts payable, accrued expenses and other liabilities (Note 13)	\$ 16,366,122	\$ 13,664,212
Distribution payable	8,312,836	12,757,459
Secured lines of credit (Note 14)	30,942,000	45,714,000
Debt financing, net (Note 15)	962,615,366	820,078,714
Mortgages payable and other secured financing, net (Note 16)	26,230,855	26,824,543
Total Liabilities	1,044,467,179	919,038,928
Commitments and Contingencies (Note 18)		
Redeemable Preferred Units, \$94.5 million redemption value, 9.5 million issued and outstanding, net (Note 19)	94,452,679	94,458,528
Partners' Capital:		
General Partner (Note 1)	66,795	765,550
Beneficial Unit Certificates ("BUCs," Note 1)	311,100,342	371,646,477
Total Partners' Capital	311,167,137	372,412,027
Total Liabilities and Partners' Capital	\$ 1,450,086,995	\$ 1,385,909,483

The accompanying notes are an integral part of the condensed consolidated financial statements.

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended September		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenues:				
Investment income	\$ 16,563,509	\$ 13,619,994	\$ 44,792,212	\$ 40,305,861
Property revenues	1,914,200	1,811,778	5,785,742	5,294,475
Contingent interest income	-	1,848,825	-	1,848,825
Other interest income	4,126,695	401,304	8,465,788	1,026,724
Total revenues	22,604,404	17,681,901	59,043,742	48,475,885
Expenses:				
Real estate operating (exclusive of items shown below)	1,520,589	1,239,614	3,563,672	3,007,979
Provision for credit loss (Note 6)	-	-	-	900,080
Provision for loan loss (Note 10)	-	-	-	330,116
Depreciation and amortization	688,488	680,925	2,056,512	2,049,269
Interest expense	8,035,982	5,663,452	18,750,079	16,248,023
General and administrative	4,505,056	4,145,317	11,995,781	10,894,937
Total expenses	14,750,115	11,729,308	36,366,044	33,430,404
Other Income:				
Gain on sale of investments in unconsolidated entities	10,580,781	6,954,649	39,664,032	15,227,239
Income before income taxes	18,435,070	12,907,242	62,341,730	30,272,720
Income tax expense (benefit)	(81,523)	(81,142)	(45,562)	26,802
Net income	18,516,593	12,988,384	62,387,292	30,245,918
Redeemable Preferred Unit distributions and accretion	(716,490)	(717,762)	(2,150,734)	(2,153,288)
Net income available to Partners	\$ 17,800,103	\$ 12,270,622	\$ 60,236,558	\$ 28,092,630
Net income available to Partners allocated to:				
General Partner	\$ 142,394	\$ 579,266	\$ 3,111,474	\$ 2,722,908
Limited Partners - BUCs	17,552,792	11,627,197	56,882,236	25,268,441
Limited Partners - Restricted units	104,917	64,159	242,848	101,281
	<u>\$ 17,800,103</u>	<u>\$ 12,270,622</u>	<u>\$ 60,236,558</u>	<u>\$ 28,092,630</u>
BUC holders' interest in net income per BUC, basic and diluted	\$ 0.79	* \$ 0.57	* \$ 2.56	* \$ 1.24 *
Weighted average number of BUCs outstanding, basic	<u>22,247,781</u>	<u>* 20,426,559</u>	<u>* 22,247,336</u>	<u>* 20,423,679 *</u>
Weighted average number of BUCs outstanding, diluted	<u>22,247,781</u>	<u>* 20,426,559</u>	<u>* 22,247,336</u>	<u>* 20,423,679 *</u>

* On April 1, 2022, the Partnership effected a one-for-three reverse unit split of its outstanding BUCs (the "Reverse Unit Split"). On October 31, 2022, the Partnership completed a distribution in the form of additional BUCs at a ratio of 0.01044 BUCs for each BUC outstanding as of September 30, 2022 (the "BUCs Distribution"). The amounts indicated in the Condensed Consolidated Statements of Operations have been adjusted to reflect both the Reverse Unit Split and the BUCs Distribution on a retroactive basis.

The accompanying notes are an integral part of the condensed consolidated financial statements.

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
 (UNAUDITED)

	For the Three Months Ended September		For the Nine Months Ended September	
	2022	2021	2022	2021
Net income	\$ 18,516,593	\$ 12,988,384	\$ 62,387,292	\$ 30,245,918
Unrealized loss on securities	(22,688,696)	(4,586,145)	(90,320,354)	(18,951,770)
Unrealized gain (loss) on bond purchase commitments	(91,864)	8,708	(1,047,315)	(30,656)
Comprehensive income (loss)	<u>\$ (4,263,967)</u>	<u>\$ 8,410,947</u>	<u>\$ (28,980,377)</u>	<u>\$ 11,263,492</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
(UNAUDITED)

	General Partner	# of BUCs - Restricted and Unrestricted*	BUCs - Restricted and Unrestricted	Total	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2021	\$ 765,550	22,324,012	\$ 371,646,477	\$ 372,412,027	\$ 114,040,260
Distributions paid or accrued (\$0.327 per BUC):*					
Distribution of Tier 2 income (Note 3)	(2,430,358)	-	(7,291,072)	(9,721,430)	-
Net income allocable to Partners	2,737,044	-	22,809,230	25,546,274	-
Restricted unit compensation expense	1,739	-	172,159	173,898	-
Unrealized loss on securities	(477,517)	-	(47,274,139)	(47,751,656)	(47,751,656)
Unrealized loss on bond purchase commitments	(8,191)	-	(810,890)	(819,081)	(819,081)
Balance as of March 31, 2022	588,267	22,324,012	339,251,765	339,840,032	65,469,523
Distributions paid or accrued (\$0.564 per BUC):*					
Distribution of Tier 2 income (Note 3)	(405,190)	-	(1,215,574)	(1,620,764)	-
Distribution of Tier 3 income (Note 3)	-	-	(11,378,312)	(11,378,312)	-
Net income allocable to Partners	232,036	-	16,658,145	16,890,181	-
Restricted units forfeited	-	(902)	-	-	-
Restricted unit compensation expense	1,655	-	163,854	165,509	-
Unrealized loss on securities	(198,800)	-	(19,681,202)	(19,880,002)	(19,880,002)
Unrealized loss on bond purchase commitments	(1,364)	-	(135,006)	(136,370)	(136,370)
Rounding of BUCs upon Reverse Unit Split	-	1,292	-	-	-
Balance as of June 30, 2022	216,604	22,324,402	323,663,670	323,880,274	45,453,151
Distributions paid or accrued (\$0.366 per BUC):*					
Distribution of Tier 2 income (Note 3)	(70,200)	-	(210,599)	(280,799)	-
Distribution of Tier 3 income (Note 3)	-	-	(8,032,037)	(8,032,037)	-
Net income allocable to Partners	142,394	-	17,657,709	17,800,103	-
Restricted units awarded	-	91,813	-	-	-
Restricted unit compensation expense	5,802	-	574,354	580,156	-
Unrealized loss on securities	(226,887)	-	(22,461,809)	(22,688,696)	(22,688,696)
Unrealized loss on bond purchase commitments	(918)	-	(90,946)	(91,864)	(91,864)
Balance as of September 30, 2022	\$ 66,795	22,416,215	\$ 311,100,342	\$ 311,167,137	\$ 22,672,591

	General Partner	# of BUCs - Restricted and Unrestricted*	BUCs - Restricted and Unrestricted	Total	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2020	\$ 934,892	20,484,934	\$ 358,837,150	\$ 359,772,042	\$ 132,594,007
Distributions paid or accrued (\$0.267 per BUC):*					
Regular distribution	(34,013)	-	(3,367,301)	(3,401,314)	-
Distribution of Tier 2 income (Note 3)	(702,277)	-	(2,106,829)	(2,809,106)	-
Net income allocable to Partners	736,936	-	5,538,155	6,275,091	-
Restricted unit compensation expense	781	-	77,333	78,114	-
Unrealized loss on securities	(162,988)	-	(16,135,809)	(16,298,797)	(16,298,797)
Unrealized loss on bond purchase commitments	(1,210)	-	(119,760)	(120,970)	(120,970)
Balance as of March 31, 2021	772,121	20,484,934	342,722,939	343,495,060	116,174,240
Distributions paid or accrued (\$0.327 per BUC):*					
Regular distribution	(26,241)	-	(2,597,816)	(2,624,057)	-
Distribution of Tier 2 income (Note 3)	(1,365,870)	-	(4,097,614)	(5,463,484)	-
Net income allocable to Partners	1,406,706	-	8,140,211	9,546,917	-
Repurchase of BUCs	-	(74,927)	(1,363,736)	(1,363,736)	-
Restricted units awarded	-	88,775	-	-	-
Restricted unit compensation expense	1,910	-	189,060	190,970	-
Unrealized gain on securities	19,332	-	1,913,840	1,933,172	1,933,172
Unrealized gain on bond purchase commitments	816	-	80,790	81,606	81,606
Balance as of June 30, 2021	808,774	20,498,782	344,987,674	345,796,448	118,189,018
Distributions paid or accrued (\$0.327 per BUC):*					
Distribution of Tier 2 income (Note 3)	(534,873)	-	(1,604,615)	(2,139,488)	-
Distribution of Tier 3 income (Note 3)	-	-	(5,691,689)	(5,691,689)	-
Net income allocable to Partners	579,266	-	11,691,356	12,270,622	-
Sale of BUCs, net of issuance costs	-	1,839,843	31,243,495	31,243,495	-
Restricted unit compensation expense	5,705	-	564,762	570,467	-
Unrealized loss on securities	(45,862)	-	(4,540,283)	(4,586,145)	(4,586,145)
Unrealized gain on bond purchase commitments	87	-	8,621	8,708	8,708
Balance as of September 30, 2021	\$ 813,097	22,338,625	\$ 376,659,321	\$ 377,472,418	\$ 113,611,581

* On April 1, 2022, the Partnership effected a one-for-three Reverse Unit Split of its outstanding BUCs. On October 31, 2022, the Partnership completed the BUCs Distribution at a ratio of 0.01044 BUCs for each BUC outstanding as of September 30, 2022. Per BUC amounts set forth in the Condensed Consolidated Statements of Partners' Capital have been adjusted to reflect both the Reverse Unit Split and BUCs Distribution on a retroactive basis.

The accompanying notes are an integral part of the condensed consolidated financial statements.

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 62,387,292	\$ 30,245,918
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	2,056,512	2,049,269
Amortization of deferred financing costs	1,926,580	823,212
Gain on sale of investments in unconsolidated entities	(39,664,032)	(15,227,239)
Contingent interest realized on investing activities	-	(1,848,825)
Provision for credit loss	-	900,080
Provision for loan loss	-	330,116
Recovery of prior credit loss	(39,968)	-
(Gain) loss on derivatives, net of cash paid	(6,511,803)	9,702
Restricted unit compensation expense	919,563	839,551
Bond premium, discount and origination fee amortization	(1,822,874)	(103,292)
Debt premium amortization	(30,444)	(30,419)
Deferred income tax benefit & income tax payable/receivable	(83,875)	(154,553)
Change in preferred return receivable from unconsolidated entities, net	(534,375)	4,589,760
Accrued interest added to property loan principal	(635,226)	-
Changes in operating assets and liabilities		
Increase in interest receivable	(90,263)	(1,506,442)
(Increase) decrease in other assets	(399,014)	134,595
Increase in accounts payable and accrued expenses	2,243,446	2,247,730
Net cash provided by operating activities	19,721,519	23,299,163
Cash flows from investing activities:		
Capital expenditures	(424,672)	(106,415)
Acquisition of and advances on mortgage revenue bonds	(91,567,687)	(12,946,500)
Acquisition of and advances on taxable mortgage revenue bonds	(10,675,750)	(1,000,000)
Advances on governmental issuer loans	(96,507,805)	(101,122,781)
Advances on taxable governmental issuer loans	(3,000,000)	(1,000,000)
Advances on property loans	(84,680,165)	(19,279,087)
Contributions to unconsolidated entities	(23,124,223)	(20,232,531)
Proceeds from sale of investments in unconsolidated entities	66,645,440	44,988,040
Return of investments in unconsolidated entities	1,367,465	-
Principal payments received on mortgage revenue bonds and contingent interest	101,258,367	45,908,244
Principal payments received on taxable mortgage revenue bonds	7,848	7,174
Principal payments received on property loans	30,332,123	191,264
Net cash used in investing activities	(110,369,059)	(64,592,592)
Cash flows from financing activities:		
Distributions paid	(37,604,215)	(20,110,495)
Repurchase of BUCs	-	(1,363,736)
Proceeds from the sale of BUCs	-	33,321,250
Payment of offering costs related to the sale of BUCs	-	(2,077,755)
Proceeds from debt financing	303,630,000	116,800,000
Principal payments on debt financing	(161,043,610)	(29,749,667)
Principal payments on mortgages payable	(593,946)	(555,680)
Principal borrowing on unsecured lines of credit	-	15,172,445
Principal payments on unsecured lines of credit	-	(22,647,446)
Principal borrowing on secured lines of credit	57,742,000	6,500,000
Principal payments on secured lines of credit	(72,514,000)	-
Increase (decrease) in security deposit liability related to restricted cash	(44,728)	66,694
Proceeds upon exchange of Redeemable Preferred Units	20,000,000	-
Payment upon exchange of Redeemable Preferred Units	(20,000,000)	-
Debt financing and other deferred costs paid	(1,802,803)	(2,252,632)
Net cash provided by financing activities	87,768,698	93,102,978
Net increase (decrease) in cash, cash equivalents and restricted cash	(2,878,842)	51,809,549
Cash, cash equivalents and restricted cash at beginning of period	151,932,470	122,990,586
Cash, cash equivalents and restricted cash at end of period	<u>\$ 149,053,628</u>	<u>\$ 174,800,135</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$ 21,731,753	\$ 14,884,920
Cash paid during the period for income taxes	38,313	181,356
Supplemental disclosure of noncash investing and financing activities:		
Distributions declared but not paid for BUCs and General Partner	\$ 8,312,836	\$ 7,831,176
Distributions declared but not paid for Preferred Units	708,750	708,750
Investment in previously unconsolidated entity consolidated as land	-	3,115,891
Capital expenditures financed through accounts payable	505,347	1,970
Deferred financing costs financed through accounts payable	34,934	2,540

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the condensed consolidated balance sheets to the total of such amounts shown in the condensed consolidated statements of cash flows:

	September 30, 2022	September 30, 2021
Cash and cash equivalents	\$ 103,203,582	\$ 91,542,566
Restricted cash	45,850,046	83,257,569
Total cash, cash equivalents and restricted cash	<u>\$ 149,053,628</u>	<u>\$ 174,800,135</u>

The accompanying notes are an integral part of the condensed consolidated financial statements.

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Basis of Presentation

America First Multifamily Investors, L.P. (the “Partnership”) was formed on April 2, 1998, under the Delaware Revised Uniform Limited Partnership Act primarily for the purpose of acquiring, holding, selling and otherwise dealing with a portfolio of mortgage revenue bonds (“MRBs”) that have been issued to provide construction and/or permanent financing for affordable multifamily and student housing residential properties and commercial properties. The Partnership has also invested in governmental issuer loans (“GILs”), which are similar to MRBs, to provide construction financing for affordable multifamily properties. The Partnership expects and believes the interest earned on these MRBs and GILs is excludable from gross income for federal income tax purposes. The Partnership may also invest in other types of securities, including taxable MRBs and taxable GILs secured by real estate and may make property loans to multifamily residential properties which may or may not be financed by MRBs or GILs held by the Partnership and may or may not be secured by real estate.

The Partnership also makes noncontrolling equity investments in unconsolidated entities for the construction, stabilization, and ultimate sale of market-rate multifamily properties. The Partnership is entitled to distributions if, and when, cash is available for distribution either through operations, a refinance or a sale of the property. In addition, the Partnership may acquire and hold interests in multifamily, student and senior citizen residential properties (“MF Properties”) until the “highest and best use” can be determined by management.

The Partnership is governed by the First Amended and Restated Agreement of Limited Partnership dated September 15, 2015, as further amended (the “Partnership Agreement”). Mortgage investments, as defined in the Partnership Agreement, consist of MRBs, taxable MRBs, GILs, taxable GILs and property loans. The Partnership Agreement authorizes the Partnership to make investments in tax-exempt securities other than mortgage investments provided that the tax-exempt investments are rated in one of the four highest rating categories by a national securities rating agency. The Partnership Agreement also allows the Partnership to invest in other securities whose interest may be taxable for federal income tax purposes. Total tax-exempt investments and other investments cannot exceed 25% of the Partnership's total assets at the time of acquisition as required under the Partnership Agreement. Tax-exempt investments and other investments primarily consist of real estate assets and investments in unconsolidated entities. In addition, the amount of other investments is limited based on the conditions to the exemption from registration under the Investment Company Act of 1940.

The Partnership's sole general partner is America First Capital Associates Limited Partnership Two (“AFCA 2” or “General Partner”). The general partner of AFCA 2 is Greystone AF Manager LLC (“Greystone Manager”), an affiliate of Greystone & Co. II LLC (collectively with its affiliates, “Greystone”).

The Partnership has issued Beneficial Unit Certificates (“BUCs”) representing assigned limited partnership interests to investors (“BUC holders”). The Partnership has designated three series of non-cumulative, non-voting, non-convertible preferred units (collectively, the “Preferred Units”) that represent limited partnership interests in the Partnership consisting of the Series A Preferred Units, the Series A-1 Preferred Units, and the Series B Preferred Units. The outstanding Series A Preferred Units and Series A-1 Preferred Units are redeemable in the future (Note 19). The Partnership had not yet issued Series B Preferred Units as of September 30, 2022. The holders of the BUCs and Preferred Units are referred to herein collectively as “Unitholders.”

2. Summary of Significant Accounting Policies

Consolidation

The “Partnership,” as used herein, includes America First Multifamily Investors, L.P., its consolidated subsidiaries and consolidated variable interest entities (Note 5). All intercompany transactions are eliminated. The consolidated subsidiaries of the Partnership for the periods presented consist of:

- ATAX TEBS I, LLC, a special purpose entity owned and controlled by the Partnership, created to hold MRBs to facilitate the M24 Tax Exempt Bond Securitization (“TEBS”) Financing (“M24 TEBS Financing”) with the Federal Home Loan Mortgage Corporation (“Freddie Mac”);
- ATAX TEBS II, LLC, a special purpose entity owned and controlled by the Partnership, created to hold MRBs to facilitate the “M31 TEBS Financing” with Freddie Mac;

- ATAX TEBS III, LLC, a special purpose entity owned and controlled by the Partnership, created to hold MRBs to facilitate the “M33 TEBS Financing” with Freddie Mac;
- ATAX TEBS IV, LLC, a special purpose entity owned and controlled by the Partnership, created to hold MRBs to facilitate the “M45 TEBS Financing” with Freddie Mac;
- ATAX TEBS Holdings, LLC, a wholly owned subsidiary of the Partnership, which has issued secured notes (“the Secured Notes”) to Mizuho Capital Markets LLC (“Mizuho”);
- ATAX Vantage Holdings, LLC, a wholly owned subsidiary of the Partnership, which is committed to loan money or provide equity for the development of market-rate multifamily properties;
- One wholly owned corporation (the “Greens Hold Co”), which owns 100% of The 50/50 MF Property, a real estate asset, and certain property loans; and
- Lindo Paseo LLC, a wholly owned limited liability company, which owns 100% of the Suites on Paseo MF Property.

The Partnership also consolidates variable interest entities (“VIEs”) in which the Partnership is deemed to be the primary beneficiary.

Impairment of Mortgage Revenue Bonds and Taxable Mortgage Revenue Bonds

The Partnership accounts for its investments in MRBs and taxable MRBs under the accounting guidance for certain investments in debt and equity securities. The Partnership’s investments in these instruments are classified as available-for-sale debt securities and are reported at their estimated fair value. The net unrealized gains or losses on these investments are reflected on the Partnership’s condensed consolidated statements of comprehensive income. Unrealized gains and losses do not affect the cash flow of the bonds, distributions to Unitholders, or the characterization of the interest income of the financial obligation of the underlying collateral. See Note 22 for a description of the Partnership’s methodology for estimating the fair value of MRBs and taxable MRBs.

The Partnership periodically reviews its MRBs and taxable MRBs for impairment. The Partnership evaluates whether unrealized losses are considered other-than-temporary impairments based on various factors including, but not necessarily limited to, the following:

- The duration and severity of the decline in fair value;
- The Partnership’s intent to hold and the likelihood of it being required to sell the security before its value recovers;
- Adverse conditions specifically related to the security, its collateral, or both;
- Volatility of the fair value of the security;
- The likelihood of the borrower being able to make scheduled interest and principal payments;
- Failure of the issuer to make scheduled interest or principal payments; and
- Recoveries or additional declines in fair value after the balance sheet date.

While the Partnership evaluates all available information, it focuses specifically on whether the security’s estimated fair value is below amortized cost. If a MRB’s estimated fair value is below amortized cost, and the Partnership has the intent to sell or may be required to sell the MRB prior to the time that its value recovers or until maturity, the Partnership will record an other-than-temporary impairment through earnings equal to the difference between the MRB’s carrying value and its fair value. If the Partnership does not expect to sell an other-than-temporarily impaired MRB, only the portion of the other-than-temporary impairment related to credit losses is recognized through earnings as a provision for credit loss, with the remainder recognized as a component of other comprehensive income. In determining the provision for credit loss, the Partnership compares the present value of cash flows expected to be collected to the MRB’s amortized cost basis.

The recognition of other-than-temporary impairment, provision for credit loss, and the potential impairment analysis are subject to a considerable degree of judgment, the results of which, when applied under different conditions or assumptions, could have a material impact to the condensed consolidated financial statements. If the Partnership experiences deterioration in the values of its MRB portfolio, the Partnership may incur other-than-temporary impairments or provision for credit losses that could negatively impact the Partnership’s financial condition, cash flows, and reported earnings.

Estimates and assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires the Partnership to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with such SEC rules and regulations, although the Partnership believes that the disclosures are adequate to make the information presented not misleading.

The Partnership’s condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2021. These condensed consolidated financial statements and notes have been prepared consistently with the 2021 Form 10-K. In the opinion of management, all adjustments (consisting of normal and recurring accruals) necessary to present fairly the Partnership’s financial position as of September 30, 2022, and the results of operations for the interim periods presented, have been made. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying condensed consolidated balance sheet as of December 31, 2021 was derived from the audited annual consolidated financial statements but does not contain all the footnote disclosures from the annual consolidated financial statements.

Risks and Uncertainties

Through November 2, 2022, the Federal Reserve announced six increases in short-term interest rates totaling 375 basis points. The Federal Reserve has signaled further future short-term interest rate increases to combat inflation in the broader economy. In addition, geopolitical conflicts continue to impact the general global economic environment. These factors have caused volatility in the fixed income markets, which has impacted the value of some of the Partnership’s investment assets, particularly fixed-rate MRBs and taxable MRBs. In addition, increases in short-term interest rates will generally result in increases in the interest cost associated with the Partnership’s variable rate debt financing arrangements and for construction debt of properties underlying our investments in unconsolidated entities. The extent to which general economic, geopolitical, and financial conditions will impact the Partnership’s financial condition or results of operations in the future is uncertain and actual results and outcomes could differ from current estimates.

The current inflationary environment in the United States may increase operating expenses at properties securing the Partnership’s investments and general operations. Regarding investments, such increases may reduce net operating results of the related properties and result in lower debt service coverage or higher than anticipated capitalized interest requirements for properties under construction. Such occurrences may negatively impact the value of the Partnership’s investments. Higher general and administrative expenses and real estate operating expenses may adversely affect the Partnership’s operating results, including a reduction in net income.

Beneficial Unit Certificates (“BUCs”)

The Partnership has issued BUCs representing assigned limited partnership interests to investors. Costs related to the issuance of BUCs are recorded as a reduction to partners’ capital when issued. On April 1, 2022, the Partnership effected a one-for-three reverse unit split (“Reverse Unit Split”) of its outstanding BUCs. As a result of the Reverse Unit Split, holders of BUCs received one BUC for every three BUCs owned at the close of business on April 1, 2022. All fractional BUCs created by the Reverse Unit Split were rounded to the nearest whole BUC, with any fraction equal to or above 0.5 BUC rounded up to the next higher BUC, as provided by the Partnership Agreement. Immediately prior to the Reverse Unit Split, there were 66,049,908 BUCs issued and outstanding, and immediately after the Reverse Unit Split the number of issued and outstanding BUCs decreased to 22,017,915. In connection with the Reverse Unit Split, the CUSIP number for the BUCs changed to 02364V 206. The BUCs continue to trade on the Nasdaq Global Select Market under the trading symbol “ATAX.”

On September 14, 2022, the Partnership declared a supplemental distribution payable in the form of additional BUCs equal to \$0.20 per BUC (the “BUCs Distribution”). The BUCs Distribution was paid at a ratio of 0.01044 BUCs for each issued and outstanding BUC as of the record date of September 30, 2022, which represents an amount per BUC based on the closing price of the BUCs on the Nasdaq Stock Market LLC on September 13, 2022. The BUCs Distribution was completed on October 31, 2022. There were no fractional BUCs issued in connection with the BUCs Distribution. All fractional BUCs resulting from the BUCs Distribution received cash for such fraction based on the market value of the BUCs on the record date.

The one-for-three Reverse Unit Split and the BUCs Distribution have been applied retroactively to all net income per BUC, distributions per BUC and similar per BUC disclosures for all periods indicated in the Partnership’s condensed consolidated financial statements.

Restricted Unit Awards (“RUA” or “RUAs”)

The Partnership’s 2015 Equity Incentive Plan (the “Plan”), as approved by the BUC holders in September 2015, permits the grant of RUAs and other awards to the employees of Greystone Manager, or any affiliate, who performs services for Greystone Manager, the Partnership or an affiliate, and members of Greystone Manager’s Board of Managers. The Plan permits total grants of RUAs of up to 1.0 million BUCs, which reflects adjustments made to the number of BUCs that may be granted under the Plan as a result of the Reverse Unit Split.

RUAs have historically been granted with vesting conditions ranging from three months to up to three years. RUAs typically provide for the payment of distributions during the restriction period. The RUAs provide for accelerated vesting if there is a change in control, or upon death or disability of the participant. The Partnership accounts for forfeitures as they occur. Outstanding RUAs were adjusted on a one-for-three basis in conjunction with the Reverse Unit Split effected on April 1, 2022. The number of outstanding RUAs was not impacted by the BUCs Distribution as holders of RUAs did not participate in the BUCs Distribution, but rather received cash in satisfaction of the previously announced supplemental distribution in the amount of \$0.20 per RUA. The fair value of each RUA is estimated on the grant date based on the Partnership’s exchange-listed closing price of the BUCs. The Partnership recognizes compensation expense for the RUAs on a straight-line basis over the requisite vesting period. The Partnership accounts for modifications to RUAs as they occur, if the fair value of the RUAs change, there are changes to vesting conditions or the awards no longer qualify for equity classification.

Recently Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2016-13, “Financial Instruments – Credit Losses (Topic 326).” ASU 2016-13 enhances the methodology of measuring expected credit losses for financial assets to include the use of reasonable and supportable forward-looking information to better estimate credit losses. In general, the allowance for credit losses is expected to increase when changing from an incurred loss to expected loss methodology. ASU 2016-13 also includes changes to the impairment model for available-for-sale debt securities such as the Partnership’s MRBs and taxable MRBs. ASU 2016-13 is effective for the Partnership on January 1, 2023 and is to be adopted through a cumulative-effect adjustment to retained earnings as of that date. The Partnership regularly assesses its assets that are within the scope of ASU 2016-13 and has determined that the GILs, taxable GIL, property loans, receivables reported within other assets, financial guaranties, financial commitments, and interest receivable related to such assets, are within the scope of ASU 2016-13. The Partnership anticipates utilizing a loss rate model based on the weighted average remaining maturity of items within the scope of ASU 2016-13. The Partnership continues to develop and refine data collection processes, assessment procedures and internal controls that will be required when ASU 2016-13 becomes effective, and to evaluate the impact to the Partnership’s condensed consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform—Facilitation of the Effects of Reference Rate Reform on Financial Reporting (“ASU 2020-04”), which provides optional guidance for a limited period meant to ease the potential burden in accounting for, or recognizing the effects of, reform to LIBOR and certain other reference rates. The standard is effective for all entities from March 12, 2020 through December 31, 2022. ASU 2020-04 is only applicable to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform, and that were entered into or evaluated prior to January 1, 2023. The Partnership has evaluated its population of instruments indexed, either directly or indirectly, to LIBOR and does not currently expect the adoption of ASU 2020-04 to have a material impact on the Partnership’s condensed consolidated financial statements.

3. Partnership Income, Expenses and Cash Distributions

The Partnership Agreement contains provisions for the distribution of Net Interest Income, Net Residual Proceeds and Liquidation Proceeds, for the allocation of income or loss from operations, and for the allocation of income and loss arising from a repayment, sale, or liquidation of investments. Income and losses will be allocated to each Unitholder on a periodic basis, as determined by the General Partner, based on the number of Preferred Units and BUCs held by each Unitholder as of the last day of the period for which such allocation is to be made. Distributions of Net Interest Income and Net Residual Proceeds will be made to each Unitholder of record on the last day of each distribution period based on the number of Preferred Units and BUCs held by each Unitholder on that date. Cash distributions are currently made on a quarterly basis.

For purposes of the Partnership Agreement, income and cash received by the Partnership from its investments in MF Properties, investments in unconsolidated entities, and property loans will be included in the Partnership’s Net Interest Income, and cash distributions received by the Partnership from the sale or redemption of such investments will be included in the Partnership’s Net Residual Proceeds.

The holders of the Preferred Units are entitled to distributions at a fixed rate per annum prior to payment of distributions to other Unitholders.

Net Interest Income (Tier 1) is allocated 99% to the limited partners and BUC holders as a class and 1% to the General Partner. Net Interest Income (Tier 2) and Net Residual Proceeds (Tier 2) are allocated 75% to the limited partners and BUC holders as a class and 25% to the General Partner. Net Interest Income (Tier 2) and Net Residual Proceeds (Tier 2) in excess of the maximum allowable amount as set forth in the Partnership Agreement are considered Net Interest Income (Tier 3) and Net Residual Proceeds (Tier 3) and are allocated 100% to the limited partners and BUC holders as a class.

4. Net income per BUC

The Partnership has disclosed basic and diluted net income per BUC in the Partnership's condensed consolidated statements of operations. The unvested RUAs issued under the Plan are considered participating securities and are potentially dilutive. There were no dilutive BUCs for the three and nine months ended September 30, 2022 and 2021.

5. Variable Interest Entities

Consolidated Variable Interest Entities ("VIEs")

The Partnership has determined the Tender Option Bond ("TOB"), Term TOB and TEBS financings are VIEs where the Partnership is the primary beneficiary. In determining the primary beneficiary of each VIE, the Partnership considered which party has the power to control the activities of the VIE which most significantly impact its financial performance, the risks that the entity was designed to create, and how each risk affects the VIE. The agreements related to the TOB, Term TOB and TEBS financings stipulate the Partnership has the sole right to cause the trusts to sell the underlying assets. If the underlying assets were sold, the extent to which the VIEs will be exposed to gains or losses would result from decisions made by the Partnership.

As the primary beneficiary, the Partnership reports the TOB, Term TOB and TEBS financings on a consolidated basis. The Partnership reports the Floater Certificates related to the TOB trust financings, and the Class A Certificates related to the Term TOB and TEBS financings as secured debt financings on the Partnership's condensed consolidated balance sheets (Note 15). The MRBs, GILs, property loans, taxable MRBs and taxable GIL securing the TOB, Term TOB and TEBS financings, are reported as assets on the Partnership's condensed consolidated balance sheets (Notes 6, 7, 10 and 12).

The Partnership has determined its investment in Vantage at San Marcos is a VIE where the Partnership is the primary beneficiary. The Partnership may currently require the managing member of the VIE to purchase the Partnership's equity investment in the VIE at a price equal to the Partnership's carrying value. If the Partnership were to redeem its investment, the underlying assets of the property would likely need to be sold. If the underlying assets were sold, the extent to which the VIE will be exposed to gains or losses would result from decisions made by the Partnership. The Partnership's option to redeem its investment in Vantage at San Marcos was effective beginning in the fourth quarter of 2021. As the primary beneficiary, the Partnership reports the assets and liabilities of Vantage at San Marcos on a consolidated basis, which consist of a real estate asset investment (Note 8), mortgage payable (Note 16), and current liabilities associated with the construction costs of a market-rate multifamily property (Note 13). If certain events occur in the future, the Partnership's option to redeem the investment will terminate and the VIE may be deconsolidated.

During 2021, the Partnership consolidated Vantage at Hutto and Vantage at Fair Oaks because it could require the managing member of the VIEs to purchase the Partnership's equity investments in the VIEs at a price equal to the Partnership's carrying value. The Partnership's right to require the managing members of the VIEs to purchase the Partnership's equity investments at a price equal to the Partnership's carrying values was terminated during 2021 upon construction commencement. As such, the Partnership was no longer the primary beneficiary of the VIEs and the VIEs were not reported on a consolidated basis and were instead reported as investments in unconsolidated entities as of December 31, 2021.

Non-Consolidated VIEs

The Partnership has variable interests in various entities in the form of MRBs, taxable MRBs, GILs, taxable GILs, property loans and investments in unconsolidated entities. These variable interests do not allow the Partnership to direct the activities that most significantly impact the economic performance of such VIEs. As a result, the Partnership is not considered the primary beneficiary and does not consolidate the financial statements of these VIEs in the Partnership's condensed consolidated financial statements.

The Partnership held variable interests in 31 and 30 non-consolidated VIEs as of September 30, 2022 and December 31, 2021, respectively. The following table summarizes the Partnership's maximum exposure to loss associated with its variable interests as of September 30, 2022 and December 31, 2021:

	Maximum Exposure to Loss	
	September 30, 2022	December 31, 2021
Mortgage revenue bonds	\$ 48,557,708	\$ 51,045,000
Taxable mortgage revenue bonds	2,000,000	2,000,000
Governmental issuer loans	281,275,255	184,767,450
Taxable governmental issuer loans	4,000,000	1,000,000
Property loans	122,563,896	47,274,576
Investments in unconsolidated entities	103,103,246	107,793,522
	<u>\$ 561,500,105</u>	<u>\$ 393,880,548</u>

The Partnership's maximum exposure to loss for the MRBs and taxable MRBs as of September 30, 2022 is equal to the Partnership's cost adjusted for paydowns. The difference between an MRB's carrying value in the Partnership's condensed consolidated balance sheets and the maximum exposure to loss is a function of the unrealized gains or losses. The Partnership has future MRB and taxable MRB funding commitments related to non-consolidated VIEs totaling \$47.0 million and \$23.5 million, respectively, as of September 30, 2022 (Note 18).

The Partnership's maximum exposure to loss for the GILs, taxable GILs, property loans and investments in unconsolidated entities as of September 30, 2022 is equal to the Partnership's carrying value. The Partnership has future GIL, taxable GIL, property loan and investment in unconsolidated entities funding commitments related to non-consolidated VIEs totaling \$122.8 million, \$63.2 million, \$64.1 million, and \$8.9 million, respectively, as of September 30, 2022 (Note 18).

6. Mortgage Revenue Bonds

The Partnership's MRBs provide construction and/or permanent financing for income-producing multifamily rental properties and a commercial property. MRBs are either held directly by the Partnership or are held in trusts created in connection with debt financing transactions (Note 15). The MRBs bear interest at a fixed rate, with the exception of Ocotillo Springs - Series A and Residency at the Mayer - Series A. The Partnership had the following investments in MRBs as of September 30, 2022 and December 31, 2021:

Description of Mortgage Revenue Bonds Held in Trust	State	September 30, 2022			
		Cost Adjusted for Paydowns and Allowances	Cumulative Unrealized Gain	Cumulative Unrealized Loss	Estimated Fair Value
Courtyard - Series A ⁽⁴⁾	CA	\$ 9,898,954	\$ 389,990	\$ -	\$ 10,288,944
Glenview Apartments - Series A ⁽³⁾	CA	4,386,923	221,254	-	4,608,177
Harmony Court Bakersfield - Series A ⁽⁴⁾	CA	3,609,296	118,091	-	3,727,387
Harmony Terrace - Series A ⁽⁴⁾	CA	6,682,143	329,629	-	7,011,772
Harden Ranch - Series A ⁽²⁾	CA	6,472,099	452,521	-	6,924,620
Las Palmas II - Series A ⁽⁴⁾	CA	1,637,465	70,328	-	1,707,793
Lutheran Gardens ⁽⁶⁾	CA	10,352,000	63,494	-	10,415,494
Montclair Apartments - Series A ⁽³⁾	CA	2,376,641	130,702	-	2,507,343
Montecito at Williams Ranch Apartments - Series A ⁽⁶⁾	CA	7,522,733	627,722	-	8,150,455
Montevista - Series A ⁽⁶⁾	CA	6,667,855	565,132	-	7,232,987
Ocotillo Springs - Series A ^{(6),(8)}	CA	11,090,000	-	(487,801)	10,602,199
Residency at the Entrepreneur J-1 ⁽⁶⁾	CA	9,088,500	172,857	-	9,261,357
Residency at the Entrepreneur J-2 ⁽⁶⁾	CA	7,500,000	217,798	-	7,717,798
Residency at the Entrepreneur J-3 ⁽⁷⁾	CA	-	656,481	-	656,481
Residency at the Mayer - Series A ⁽⁶⁾	CA	25,069,208	-	-	25,069,208
San Vicente - Series A ⁽⁴⁾	CA	3,376,366	111,397	-	3,487,763
Santa Fe Apartments - Series A ⁽³⁾	CA	2,879,212	145,213	-	3,024,425
Seasons at Simi Valley - Series A ⁽⁴⁾	CA	4,150,500	384,743	-	4,535,243
Seasons Lakewood - Series A ⁽⁴⁾	CA	7,117,935	351,126	-	7,469,061
Seasons San Juan Capistrano - Series A ⁽⁴⁾	CA	11,984,278	591,182	-	12,575,460
Summerhill - Series A ⁽⁴⁾	CA	6,215,150	80,688	-	6,295,838
Sycamore Walk - Series A ⁽⁴⁾	CA	3,440,619	130,469	-	3,571,088
The Village at Madera - Series A ⁽⁴⁾	CA	2,985,168	137,695	-	3,122,863
Tyler Park Townhomes - Series A ⁽²⁾	CA	5,635,996	231,647	-	5,867,643
Vineyard Gardens - Series A ⁽⁶⁾	CA	3,916,109	312,891	-	4,229,000
Westside Village Market - Series A ⁽²⁾	CA	3,683,114	193,646	-	3,876,760
Brookstone ⁽¹⁾	IL	7,298,854	1,232,165	-	8,531,019
		4,900,000			5,035,868
Copper Gate Apartments ⁽²⁾	IN	-	135,868	-	
Renaissance - Series A ⁽³⁾	LA	10,622,933	447,502	-	11,070,435
Live 929 Apartments - Series 2022A ⁽⁶⁾	MD	58,050,821	798,344	-	58,849,165
Jackson Manor Apartments ⁽⁶⁾	MS	6,900,000	-	-	6,900,000
Greens Property - Series A ⁽²⁾	NC	7,629,000	536	-	7,629,536
Silver Moon - Series A ⁽³⁾	NM	7,575,818	609,702	-	8,185,520
Village at Avalon ⁽⁵⁾	NM	15,974,957	863,641	-	16,838,598
Columbia Gardens ⁽⁴⁾	SC	12,588,742	428,517	-	13,017,259
Companion at Thornhill Apartments ⁽⁴⁾	SC	10,821,542	448,643	-	11,270,185
The Palms at Premier Park Apartments ⁽²⁾	SC	18,200,634	643,425	-	18,844,059
Village at River's Edge ⁽⁶⁾	SC	9,669,777	44,189	-	9,713,966
Willow Run ⁽⁴⁾	SC	12,414,487	477,489	-	12,891,976
Arbors at Hickory Ridge ⁽²⁾	TN	10,633,673	1,699,911	-	12,333,584
Avistar at Copperfield - Series A ⁽⁶⁾	TX	13,569,835	481,953	-	14,051,788
Avistar at the Crest - Series A ⁽²⁾	TX	8,928,536	591,677	-	9,520,213
Avistar at the Oaks - Series A ⁽²⁾	TX	7,221,895	432,723	-	7,654,618
Avistar at the Parkway - Series A ⁽³⁾	TX	12,468,173	682,039	-	13,150,212
Avistar at Wilcrest - Series A ⁽⁶⁾	TX	5,142,693	4,874	-	5,147,567
Avistar at Wood Hollow - Series A ⁽⁶⁾	TX	39,048,349	1,386,861	-	40,435,210
Avistar in 09 - Series A ⁽²⁾	TX	6,235,826	295,681	-	6,531,507
Avistar on the Boulevard - Series A ⁽²⁾	TX	15,210,725	824,271	-	16,034,996
Avistar on the Hills - Series A ⁽²⁾	TX	4,944,271	327,489	-	5,271,760
Bruton Apartments ^{(4),(8)}	TX	17,419,883	-	(533,140)	16,886,743
Concord at Gulfgate - Series A ⁽⁴⁾	TX	18,456,524	1,239,586	-	19,696,110
Concord at Little York - Series A ⁽⁴⁾	TX	12,929,668	909,327	-	13,838,995
Concord at Williamcrest - Series A ⁽⁴⁾	TX	20,029,441	1,156,304	-	21,185,745
Crossing at 1415 - Series A ⁽⁴⁾	TX	7,191,959	353,742	-	7,545,701
Decatur Angle ^{(4),(8)}	TX	21,919,796	-	(834,292)	21,085,504
Esperanza at Palo Alto ⁽⁴⁾	TX	18,955,815	1,118,258	-	20,074,073
Heights at 515 - Series A ⁽⁴⁾	TX	6,584,362	343,057	-	6,927,419
Heritage Square - Series A ⁽³⁾	TX	10,358,615	432,270	-	10,790,885
Oaks at Georgetown - Series A ⁽⁴⁾	TX	11,940,699	311,811	-	12,252,510
Runnymede ⁽³⁾	TX	9,605,000	439	-	9,605,439
Southpark ⁽³⁾	TX	11,419,072	1,297,785	-	12,716,857
15 West Apartments ⁽⁴⁾	WA	9,474,154	979,184	-	10,453,338
Mortgage revenue bonds held in trust		\$ 650,074,793	\$ 27,685,959	\$ (1,855,233)	\$ 675,905,519

(1) MRBs owned by ATAX TEBS I, LLC (M24 TEBS), Note 15

(2) MRBs owned by ATAX TEBS II, LLC (M31 TEBS), Note 15

(3) MRBs owned by ATAX TEBS III, LLC (M33 TEBS), Note 15

(4) MRBs owned by ATAX TEBS IV, LLC (M45 TEBS), Note 15

(5) MRB held by Morgan Stanley in a debt financing transaction, Note 15

(6) MRBs held by Mizuho Capital Markets, LLC in a debt financing transaction, Note 15

(7) The Partnership has an MRB funding commitment of \$26.1 million as of September 30, 2022. The unfunded MRB commitment is accounted for as an available-for-sale security and reported at fair value. The reported unrealized loss is based on the fair value of the funding commitment outstanding as of September 30, 2022. The Partnership will partially fund the commitment with proceeds from a debt financing transaction with Mizuho Capital Markets, LLC.

(8) As of the date presented, the MRB had been in a cumulative unrealized loss position for less than 12 consecutive months and is not considered a credit loss. The Partnership determined the unrealized loss is a result of increasing market interest rates and is not considered other-than-temporary.

Description of Mortgage Revenue Bonds held by the Partnership	State	September 30, 2022			
		Cost Adjusted for Paydowns and Allowances	Cumulative Unrealized Gain	Cumulative Unrealized Loss	Estimated Fair Value
CCBA Senior Garden Apartments ⁽¹⁾	CA	\$ 3,801,312	\$ -	\$ (209,129)	\$ 3,592,183
Solano Vista - Series A	CA	2,635,798	152,712	-	2,788,510
Meadow Valley ⁽²⁾	MI	1,833,437	-	(2,632,998)	(799,561)
Gateway Village	NC	2,590,992	-	-	2,590,992
Greens Property - Series B	NC	916,502	114	-	916,616
Lynnhaven Apartments	NC	3,438,048	-	-	3,438,048
Provision Center 2014-1	TN	4,296,204	-	-	4,296,204
Avistar at the Crest - Series B	TX	726,263	28,394	-	754,657
Avistar at the Oaks - Series B	TX	531,895	14,208	-	546,103
Avistar at the Parkway - Series B	TX	123,287	20,319	-	143,606
Avistar in 09 - Series B	TX	438,765	11,720	-	450,485
Avistar on the Boulevard - Series B	TX	431,548	14,520	-	446,068
Mortgage revenue bonds held by the Partnership		<u>\$ 21,764,051</u>	<u>\$ 241,987</u>	<u>\$ (2,842,127)</u>	<u>\$ 19,163,911</u>

(1) As of the date presented, the MRB had been in a cumulative unrealized loss position for less than 12 consecutive months and is not considered a credit loss. The Partnership determined the unrealized loss is a result of increasing market interest rates and is not considered other-than-temporary.

(2) The Partnership has a remaining MRB funding commitment of \$42.3 million as of September 30, 2022. The MRB and the unfunded MRB commitment are accounted for as available-for-sale securities and reported at fair value. The reported unrealized loss includes the unrealized loss on the current MRB carrying value (based on current fair value) as well as the unrealized loss on the Partnership's remaining \$42.3 million funding commitment outstanding as of September 30, 2022 (also based on current fair value). The Partnership determined the unrealized loss is a result of increasing market interest rates and that the cumulative unrealized loss is not other-than-temporary.

December 31, 2021

Description of Mortgage Revenue Bonds Held in Trust	State	Cost Adjusted for Paydowns and Allowances	Cumulative Unrealized Gain	Cumulative Unrealized Loss	Estimated Fair Value
Courtyard - Series A ⁽⁴⁾	CA	\$ 9,970,209	\$ 2,060,480	\$ -	\$ 12,030,689
Glenview Apartments - Series A ⁽³⁾	CA	4,429,350	863,955	-	5,293,305
Harmony Court Bakersfield - Series A ⁽⁴⁾	CA	3,635,277	720,308	-	4,355,585
Harmony Terrace - Series A ⁽⁴⁾	CA	6,730,004	1,425,757	-	8,155,761
Harden Ranch - Series A ⁽²⁾	CA	6,538,111	1,285,747	-	7,823,858
Las Palmas II - Series A ⁽⁴⁾	CA	1,649,370	332,704	-	1,982,074
Montclair Apartments - Series A ⁽³⁾	CA	2,399,626	446,912	-	2,846,538
Montecito at Williams Ranch Apartments - Series A ⁽⁶⁾	CA	7,568,334	1,983,454	-	9,551,788
Montevista - Series A ⁽⁶⁾	CA	6,701,776	2,114,978	-	8,816,754
Ocotillo Springs - Series A ⁽⁶⁾	CA	15,000,000	271,172	-	15,271,172
Residency at the Mayer - Series A ⁽⁶⁾	CA	24,000,000	-	-	24,000,000
San Vicente - Series A ⁽⁴⁾	CA	3,400,913	671,681	-	4,072,594
Santa Fe Apartments - Series A ⁽³⁾	CA	2,907,057	567,028	-	3,474,085
Seasons at Simi Valley - Series A ⁽⁴⁾	CA	4,188,582	1,011,623	-	5,200,205
Seasons Lakewood - Series A ⁽⁴⁾	CA	7,168,917	1,518,742	-	8,687,659
Seasons San Juan Capistrano - Series A ⁽⁴⁾	CA	12,070,116	2,557,065	-	14,627,181
Summerhill - Series A ⁽⁴⁾	CA	6,259,888	1,187,464	-	7,447,352
Sycamore Walk - Series A ⁽⁴⁾	CA	3,474,617	696,090	-	4,170,707
The Village at Madera - Series A ⁽⁴⁾	CA	3,006,656	621,367	-	3,628,023
Tyler Park Townhomes - Series A ⁽²⁾	CA	5,694,168	691,137	-	6,385,305
Vineyard Gardens - Series A ⁽⁶⁾	CA	3,939,476	987,782	-	4,927,258
Westside Village Market - Series A ⁽²⁾	CA	3,721,129	701,915	-	4,423,044
Brookstone ⁽¹⁾	IL	7,334,161	1,903,086	-	9,237,247
Copper Gate Apartments ⁽²⁾	IN	4,900,000	433,436	-	5,333,436
Renaissance - Series A ⁽³⁾	LA	10,732,295	4,172,381	-	14,904,676
Live 929 Apartments - 2014 Series A ⁽⁶⁾	MD	36,169,147	573,155	-	36,742,302
Jackson Manor Apartments ⁽⁶⁾	MS	4,900,000	-	-	4,900,000
Gateway Village ⁽⁶⁾	NC	2,600,000	90,861	-	2,690,861
Greens Property - Series A ⁽²⁾	NC	7,719,000	281,953	-	8,000,953
Lynnhaven Apartments ⁽⁶⁾	NC	3,450,000	115,328	-	3,565,328
Silver Moon - Series A ⁽³⁾	NM	7,629,704	1,868,323	-	9,498,027
Village at Avalon ⁽⁵⁾	NM	16,069,382	4,124,498	-	20,193,880
Ohio Properties - Series A ⁽¹⁾	OH	13,580,000	-	-	13,580,000
Bridle Ridge ⁽¹⁾	SC	7,145,000	-	-	7,145,000
Columbia Gardens ⁽⁴⁾	SC	12,725,440	2,003,599	-	14,729,039
Companion at Thornhill Apartments ⁽⁴⁾	SC	10,924,609	1,793,226	-	12,717,835
Cross Creek ⁽¹⁾	SC	6,120,285	1,845,064	-	7,965,349
The Palms at Premier Park Apartments ⁽²⁾	SC	18,385,572	2,181,632	-	20,567,204
Village at River's Edge ⁽⁴⁾	SC	9,728,355	2,370,569	-	12,098,924
Willow Run ⁽⁴⁾	SC	12,549,146	1,974,479	-	14,523,625
Arbors at Hickory Ridge ⁽²⁾	TN	10,755,889	3,598,292	-	14,354,181
Avistar at Copperfield - Series A ⁽⁶⁾	TX	13,678,286	2,549,711	-	16,227,997
Avistar at the Crest - Series A ⁽²⁾	TX	9,022,172	1,926,825	-	10,948,997
Avistar at the Oaks - Series A ⁽²⁾	TX	7,295,334	1,578,333	-	8,873,667
Avistar at the Parkway - Series A ⁽³⁾	TX	12,579,783	2,353,247	-	14,933,030
Avistar at Wilcrest - Series A ⁽⁶⁾	TX	5,183,794	772,242	-	5,956,036
Avistar at Wood Hollow - Series A ⁽⁶⁾	TX	39,360,426	7,200,790	-	46,561,216
Avistar in 09 - Series A ⁽²⁾	TX	6,299,237	1,288,060	-	7,587,297
Avistar on the Boulevard - Series A ⁽²⁾	TX	15,370,243	3,165,575	-	18,535,818
Avistar on the Hills - Series A ⁽²⁾	TX	4,994,549	1,100,478	-	6,095,027
Bruton Apartments ⁽⁴⁾	TX	17,532,185	4,452,765	-	21,984,950
Concord at Gulfgate - Series A ⁽⁴⁾	TX	18,606,719	4,211,979	-	22,818,698
Concord at Little York - Series A ⁽⁴⁾	TX	13,034,887	3,055,517	-	16,090,404
Concord at Williamcrest - Series A ⁽⁴⁾	TX	20,192,436	4,651,973	-	24,844,409
Crossing at 1415 - Series A ⁽⁴⁾	TX	7,253,698	1,549,224	-	8,802,922
Decatur Angle ⁽⁴⁾	TX	22,074,594	4,731,759	-	26,806,353
Esperanza at Palo Alto ⁽⁴⁾	TX	19,071,622	5,317,911	-	24,389,533
Heights at 515 - Series A ⁽⁴⁾	TX	6,640,885	1,418,341	-	8,059,226
Heritage Square - Series A ⁽³⁾	TX	10,455,924	1,823,426	-	12,279,350
Oaks at Georgetown - Series A ⁽⁴⁾	TX	12,026,225	2,181,690	-	14,207,915
Runnymede ⁽¹⁾	TX	9,675,000	99,489	-	9,774,489
Southpark ⁽¹⁾	TX	11,365,100	1,542,509	-	12,907,609
15 West Apartments ⁽⁴⁾	WA	9,531,842	2,799,259	-	12,331,101
Mortgage revenue bonds held in trust		\$ 639,116,502	\$ 111,818,346	\$ -	\$ 750,934,848

- (1) MRBs owned by ATAX TEBS I, LLC (M24 TEBS), Note 15
- (2) MRBs owned by ATAX TEBS II, LLC (M31 TEBS), Note 15
- (3) MRBs owned by ATAX TEBS III, LLC (M33 TEBS), Note 15
- (4) MRBs owned by ATAX TEBS IV, LLC (M45 TEBS), Note 15
- (5) MRB held by Morgan Stanley in a debt financing transaction Note 15
- (6) MRB held by Mizuho Capital Markets, LLC in a debt financing transaction, Note 15

December 31, 2021

Description of Mortgage Revenue Bonds held by the Partnership	State	Cost Adjusted for Paydowns and Allowances	Cumulative Unrealized Gain	Cumulative Unrealized Loss	Estimated Fair Value
Lutheran Gardens	CA	\$ 10,352,000	\$ -	\$ -	10,352,000
Solano Vista - Series A	CA	2,649,291	744,617	-	3,393,908
Live 929 Apartments - 2014 Series B	MD	17,344,000	-	-	17,344,000
Meadow Valley	MI	100,000	-	-	100,000
Greens Property - Series B	NC	920,637	46,672	-	967,309
Ohio Properties - Series B	OH	3,465,270	-	-	3,465,270
Provision Center 2014-1	TN	4,300,000	-	-	4,300,000
Avistar at the Crest - Series B	TX	730,612	122,646	-	853,258
Avistar at the Oaks - Series B	TX	534,953	86,437	-	621,390
Avistar at the Parkway - Series B	TX	123,598	37,590	-	161,188
Avistar in 09 - Series B	TX	441,288	71,303	-	512,591
Avistar on the Boulevard - Series B	TX	434,132	69,950	-	504,082
Mortgage revenue bonds held by the Partnership		\$ 41,395,781	\$ 1,179,215	\$ -	\$ 42,574,996

The Partnership has committed to provide funding for certain MRBs on a draw-down basis during construction and/or rehabilitation of the secured properties as of September 30, 2022. See Note 18 for additional information regarding the Partnership's MRB funding commitments.

See Note 22 for a description of the methodology and significant assumptions used in determining the fair value of the MRBs. Unrealized gains or losses on the MRBs are recorded in the Partnership's condensed consolidated statements of comprehensive income to reflect changes in their estimated fair values resulting from market conditions and fluctuations in the present value of the expected cash flows from the MRBs.

During the nine months ended September 30, 2021, the Partnership recognized a provision for credit loss of approximately \$900,000 related to the Provision Center 2014-1 MRB in its condensed consolidated statements of operations. The borrower of the Provision Center 2014-1 MRB filed for Chapter 11 bankruptcy in December 2020 and has ceased making contractual principal and interest payments. The credit loss was driven primarily by collateral information obtained during the bankruptcy process. The underlying property was successfully sold out of bankruptcy in July 2022 and final settlement of the bankruptcy estate is ongoing. The net carrying value of the MRB, inclusive of accrued interest, is \$4.6 million as of September 30, 2022, which is our estimate of the proceeds we will ultimately receive upon liquidation of the bankruptcy and bond trust estate.

MRB Activity in the First Nine Months of 2022

Acquisitions:

The following MRBs were acquired at prices that approximated the principal outstanding plus accrued interest during the nine months ended September 30, 2022:

Property Name	Month Acquired	Property Location	Units	Maturity Date	Interest Rate	Principal Acquired
Residency at the Entrepreneur - Series J-1	April	Los Angeles, CA	200	3/31/2040	6.00 %	\$ 9,000,000
Residency at the Entrepreneur - Series J-2	April	Los Angeles, CA	200	3/31/2040	6.00 %	7,500,000
Residency at the Entrepreneur - Series J-3	April	Los Angeles, CA	200	3/31/2040	6.00 %	(1)
Residency at the Entrepreneur - Series J-4	April	Los Angeles, CA	200	3/31/2040	SOFR + 3.60% (2)	(1)
CCBA Senior Garden Apartments (3)	June	San Diego, CA	45	7/1/2037	4.50 %	3,807,000
						\$ 20,307,000

(1) The Partnership has committed to provide funding for the Series J-3 and Series J-4 MRBs of \$26.1 million and \$16.4 million, respectively. See Note 18.

(2) The interest rate is subject to an all-in floor of 3.87%. Upon stabilization, the Series J-4 MRB will become subordinate to the Series J-1, J-2 and J-3 MRBs and will convert to a fixed rate of 8.0%. Upon stabilization of the property, the MRB will be partially repaid and the maximum balance of the MRB after stabilization will not exceed \$1.5 million.

(3) The investment was previously reported as a bond purchase commitment that has converted to an MRB.

Restructurings:

In January 2022, the Live 929 Apartments property completed a restructuring of the Partnership's MRBs and property loan. The Partnership's Live 929 Apartments – 2014 Series A and Live 929 Apartments – 2014 Series B MRBs were redeemed at par plus accrued interest. The following tables summarizes the terms of the MRBs upon redemption:

Property Name	Month Redeemed	Property Location	Units	Original Maturity Date	Interest Rate	Principal Outstanding at Date of Redemption
Live 929 Apartments - 2014 Series A	January	Baltimore, MD	575	7/1/2049	5.78 %	\$ 39,445,000
Live 929 Apartments - 2014 Series B	January	Baltimore, MD	575	7/1/2039	1.60 %	21,610,000
						<u>\$ 61,055,000</u>

Upon restructuring, the Partnership used the proceeds of the redeemed MRBs plus additional cash to acquire a new series of MRB secured by the Live 929 Apartments property, the Series 2022A MRB. The following tables summarizes the MRB that was acquired as part of the restructuring of the Live 929 Apartments MRBs:

Property Name	Month Acquired	Property Location	Units	Maturity Date	Interest Rate	Principal Acquired
Live 929 Apartments - Series 2022A	January	Baltimore, MD	575	1/1/2060	4.30 %	\$ 66,365,000

In addition, a portion of the Live 929 Apartments property loan was redeemed as part of the restructuring, with proceeds used to acquire the new Live 929 Apartments Series 2022A MRB. The Partnership also acquired a taxable MRB which is reported in Other Assets (Note 12). The redemption of the prior Live 929 Apartments – 2014 Series A and 2014 Series B MRBs and property loan and acquisition of the new Live 929 Apartments Series 2022A MRB were accounted for as a troubled debt restructuring.

Redemptions:

The following MRBs were redeemed at a price that approximated the Partnership's carrying value plus accrued interest during the nine months ended September 30, 2022:

Property Name	Month Redeemed	Property Location	Units	Original Maturity Date	Interest Rate	Principal Outstanding at Date of Redemption
Ohio Properties - Series A	March ⁽¹⁾		362	6/1/2050	7.00 %	\$ 13,544,000
Ohio Properties - Series B	March ⁽¹⁾		362	6/1/2050	10.00 %	3,459,840
Bridle Ridge	May	Greer, SC	152	1/1/2043	6.00 %	7,100,000
Cross Creek	September	Beaufort, SC	144	3/1/2049	6.15 %	7,666,752
						<u>\$ 31,770,592</u>

⁽¹⁾The Ohio Properties consist of Crescent Village, located in Cincinnati, Ohio, Willow Bend, located in Columbus (Hilliard), Ohio and Postwoods, located in Reynoldsburg, Ohio.

MRB Activity in the First Nine Months of 2021**Acquisitions:**

The following MRB was acquired at a price that approximated the principal outstanding plus accrued interest during the nine months ended September 30, 2021:

Property Name	Month Acquired	Property Location	Units	Maturity Date	Interest Rate	Initial Principal Acquired
Jackson Manor Apartments ⁽¹⁾	April	Jackson, MS	60	5/1/2038	5.00 %	\$ 4,150,000

⁽¹⁾The Partnership has committed to provide total funding of the MRB up to \$6.9 million during the acquisition and rehabilitation phase of the property on a drawdown basis. Upon stabilization of the property, the MRB will be partially repaid and the maximum balance of the MRB after stabilization will not exceed \$4.8 million.

Redemptions:

The following MRBs were redeemed at a price that approximated the Partnership's carrying value plus accrued interest during the nine months ended September 30, 2021:

Property Name	Month Redeemed	Property Location	Units	Original Maturity Date	Interest Rate	Principal Outstanding at Date of Redemption
Arby Road Apartments - Series A ⁽¹⁾	March	Las Vegas, NV	180	10/1/2027	5.35 %	\$ 1,600,000
Arby Road Apartments - Series A ⁽¹⁾	March	Las Vegas, NV	180	4/1/2041	5.50 %	5,785,000
Rosewood Townhomes - Series A	July	Goose Creek, SC	100	7/1/2055	5.75 %	9,259,206
Rosewood Townhomes - Series B	July	Goose Creek, SC	100	8/1/2055	12.00 %	469,781
South Pointe Apartments - Series A	July	Hanahan, SC	256	7/1/2055	5.75 %	21,551,600
South Pointe Apartments - Series B	July	Hanahan, SC	256	8/1/2055	12.00 %	1,099,487
						<u>\$ 39,765,074</u>

⁽¹⁾Both MRBs are part of the same series but had different interest rates and maturity dates.

The Rosewood Townhomes - Series A and South Pointe Apartments - Series A MRBs were redeemed at 106% of par value plus accrued interest in July 2021. The redemption premium of approximately \$1.8 million is reported as "Contingent interest income" in the condensed consolidated statement of operations. All other MRBs were redeemed at a price that approximated the Partnership's carrying value plus accrued interest.

The following table summarizes the changes in the Partnership's allowance for credit losses for the three and nine months ended September 30, 2022 and 2021:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Balance, beginning of period	\$ 10,013,392	\$ 8,218,669	\$ 9,175,482	\$ 7,318,589
Provision for credit loss	-	-	-	900,080
Other additions ⁽¹⁾	-	-	860,533	-
Recovery of prior credit loss ⁽²⁾	(17,345)	-	(39,968)	-
Balance, end of period ⁽³⁾	<u>\$ 9,996,047</u>	<u>\$ 8,218,669</u>	<u>\$ 9,996,047</u>	<u>\$ 8,218,669</u>

⁽¹⁾The other addition is related to a re-allocation of the loan loss allowance upon restructuring of the Live 929 Apartments MRBs and property loan.

⁽²⁾The Partnership compared the present value of cash flows expected to be collected to the amortized cost basis of the Live 929 Apartments Series 2022A MRB, which indicated a recovery of value. The Partnership will accrete the recovery of prior credit loss into investment income over the term of the MRB.

⁽³⁾The allowance for credit losses as of September 30, 2022 is related to the Provision Center 2014-1 MRB and the Live 929 Apartments - Series 2022A MRB. The allowance for credit losses as of September 30, 2021 is related to the Provision Center 2014-1 MRB and the Live 929 Apartments - 2014 Series A MRB.

7. Governmental Issuer Loans

The Partnership owns governmental issuer loans ("GILs") that are issued by state or local governmental authorities to finance the construction of affordable multifamily properties. The Partnership expects and believes the interest earned on the GILs is excludable from gross income for federal income tax purposes. The GILs do not constitute an obligation of any government, agency or authority and no government, agency or authority is liable for them, nor is the taxing power of any government pledged to the payment of principal or interest on the GILs. Each GIL is secured by a mortgage on all real and personal property of the affordable multifamily property. The GILs share first mortgage lien positions with property loans and/or taxable GILs also owned by the Partnership (Notes 10 and 12). Sources of the funds to pay principal and interest on a GIL consist of the net cash flow or the sale or refinancing proceeds from the secured property and limited-to-full payment guaranties provided by affiliates of the borrower. The Partnership has committed to provide total funding for certain GILs on a draw-down basis during construction. The GILs, with the exception of Poppy Grove I, Poppy Grove II, and Poppy Grove III, were held in trust in connection with TOB trust financings as of September 30, 2022 and December 31, 2021 (Note 15). At the closing of each GIL, Freddie Mac, through a servicer, has forward committed to purchase the GIL at maturity if the property has reached stabilization and other conditions are met (Note 21).

The Partnership had the following GIL investments as of September 30, 2022 and December 31, 2021:

Property Name	Month Acquired	Property Location	Units	Maturity Date ⁽¹⁾	Interest Rate ⁽²⁾	As of September 30, 2022	
						Current Interest Rate	Amortized Cost
Scharbauer Flats Apartments ⁽³⁾	June 2020	Midland, TX	300	1/1/2023	SIFMA + 3.10%	5.56%	\$ 40,000,000
Oasis at Twin Lakes ⁽³⁾	July 2020	Roseville, MN	228	8/1/2023	SIFMA + 2.25%	4.71%	34,000,000
Centennial Crossings ⁽³⁾	August 2020	Centennial, CO	209	9/1/2023	SIFMA + 2.75%	5.21%	33,080,000
Legacy Commons at Signal Hills ⁽³⁾	January 2021	St. Paul, MN	247	2/1/2024	SOFR + 3.07%	6.05%	34,620,000
Hilltop at Signal Hills ⁽⁵⁾	January 2021	St. Paul, MN	146	8/1/2023	SOFR + 3.07%	6.05%	24,450,000
Hope on Avalon	January 2021	Los Angeles, CA	88	2/1/2023	SIFMA + 3.75%	6.21%	23,390,000
Hope on Broadway	January 2021	Los Angeles, CA	49	2/1/2023	SIFMA + 3.75%	6.21%	10,691,245
Osprey Village ⁽³⁾	July 2021	Kissimmee, FL	383	8/1/2024	SOFR + 3.07%	5.36%	30,648,439
Willow Place Apartments ⁽³⁾	September 2021	McDonough, GA	182	10/1/2024	SOFR + 3.30%	5.59%	12,358,271
Magnolia Heights ⁽³⁾	June 2022	Covington, GA	200	7/1/2024	SOFR + 3.85%	6.14%	20,400,000
Poppy Grove I ^{(3), (4)}	September 2022	Elk Grove, CA	147	4/1/2025	6.78%	6.78%	6,746,000
Poppy Grove II ^{(3), (4)}	September 2022	Elk Grove, CA	82	4/1/2025	6.78%	6.78%	3,541,300
Poppy Grove III ^{(3), (4)}	September 2022	Elk Grove, CA	158	4/1/2025	6.78%	6.78%	7,350,000
							<u>\$ 281,275,255</u>

(1) The borrowers may elect to extend the maturity dates for periods ranging between six and twelve months upon meeting certain conditions, which may include payment of a non-refundable extension fee.

(2) The variable index interest rate components are typically subject to floors that range from 0% to 0.85%.

(3) The Freddie Mac servicer that has forward committed to purchase the GIL at maturity is an affiliate of the Partnership (Note 21).

(4) The Partnership has agreed to provide a subordinate GIL after the execution of Freddie Mac's forward purchase commitment if needed by the property. The potential subordinate GIL amounts are up to \$3.8 million, \$2.2 million, and \$4.2 million for Poppy Grove I, Poppy Grove II, and Poppy Grove III, respectively.

Property Name	Month Acquired	Property Location	Units	Maturity Date ⁽¹⁾	Variable Interest Rate ⁽²⁾	As of December 31, 2021	
						Current Interest Rate	Amortized Cost
Scharbauer Flats Apartments ⁽³⁾	June 2020	Midland, TX	300	1/1/2023	SIFMA + 3.10%	3.20%	\$ 40,000,000
Oasis at Twin Lakes ⁽³⁾	July 2020	Roseville, MN	228	8/1/2023	SIFMA + 3.25% ⁽⁴⁾	3.75%	34,000,000
Centennial Crossings ⁽³⁾	August 2020	Centennial, CO	209	9/1/2023	SIFMA + 2.75%	3.25%	33,080,000
Legacy Commons at Signal Hills ⁽³⁾	January 2021	St. Paul, MN	247	2/1/2024	SOFR + 3.07%	3.57%	33,120,605
Hilltop at Signal Hills ⁽³⁾	January 2021	St. Paul, MN	146	8/1/2023	SOFR + 3.07%	3.57%	21,550,584
Hope on Avalon	January 2021	Los Angeles, CA	88	2/1/2023	SIFMA + 3.75%	4.60%	9,981,200
Hope on Broadway	January 2021	Los Angeles, CA	49	2/1/2023	SIFMA + 3.75%	4.60%	3,691,245
Osprey Village ⁽³⁾	July 2021	Kissimmee, FL	383	8/1/2024	SOFR + 3.07%	3.57%	6,372,030
Willow Place Apartments ⁽³⁾	September 2021	McDonough, GA	182	10/1/2024	SOFR + 3.30%	3.55%	2,971,786
							<u>\$ 184,767,450</u>

(1) The borrowers may elect to extend the maturity dates for periods ranging between six and twelve months upon meeting certain conditions, which may include payment of a non-refundable extension fee.

(2) The variable index interest rate components are typically subject to floors that range from 0% to 0.85%.

(3) The Freddie Mac servicer that has forward committed to purchase the GIL at maturity is an affiliate of the Partnership (Note 21).

(4) The variable rate decreases to SIFMA plus 2.25% upon completion of construction.

The partnership has remaining commitments to provide additional funding of the GILs during construction and/or rehabilitation of the secured properties as of September 30, 2022. See Note 18 for further information regarding the Partnership's remaining GIL funding commitments.

Activity in the First Nine Months of 2022

Acquisitions:

During the nine months ended September 30, 2022, the Partnership entered into multiple GIL commitments to provide construction financing for the underlying properties on a draw-down basis as summarized below.

- \$20.4 million commitment related to Magnolia Heights;
- \$35.7 million commitment related to Poppy Grove I;
- \$22.3 million commitment related to Poppy Grove II; and
- \$39.1 million commitment related to Poppy Grove III.

Activity in the First Nine Months of 2021

Acquisitions:

During the nine months ended September 30, 2021, the Partnership entered into multiple GIL commitments to provide construction financing for the underlying properties on a draw-down basis as summarized below.

- \$34.6 million commitment related to Legacy Commons at Signal Hills;
- \$24.5 million commitment related to Hilltop at Signal Hills;
- \$23.4 million commitment related to Hope on Avalon;

- \$12.1 million commitment related to Hope on Broadway;
- \$60.0 million commitment related to Osprey Village; and
- \$25.0 million commitment related to Willow Place Apartments.

8. Real Estate Assets

The following tables summarize information regarding the Partnership's real estate assets as of September 30, 2022 and December 31, 2021:

Real Estate Assets as of September 30, 2022						
Property Name	Location	Number of Units		Land and Land Improvements	Buildings and Improvements	Carrying Value
Suites on Paseo	San Diego, CA	384	\$	3,205,961	\$ 39,426,150	\$ 42,632,111
The 50/50 MF Property	Lincoln, NE	475 ⁽¹⁾		-	33,812,722	33,812,722
Vantage at San Marcos	San Marcos, TX	(2)		2,660,615	682,929	3,343,544
Land held for development				1,551,196	-	1,551,196
						\$ 81,339,573
Less accumulated depreciation						(22,740,549)
Net real estate assets						<u>\$ 58,599,024</u>

(1)The land is owned by a consolidated VIE for future development of a market-rate multifamily property. See Note 5 for further information.

(2)Land held for development consists of land and development costs for parcels of land in Richland County, SC and Omaha, NE.

Real Estate Assets as of December 31, 2021						
Property Name	Location	Number of Units		Land and Land Improvements	Buildings and Improvements	Carrying Value
Suites on Paseo	San Diego, CA	384	\$	3,199,268	\$ 39,302,507	\$ 42,501,775
The 50/50 MF Property	Lincoln, NE	475 ⁽¹⁾		-	33,013,039	33,013,039
Vantage at San Marcos	San Marcos, TX	(2)		2,660,615	682,929	3,343,544
Land held for development				1,551,196	-	1,551,196
						\$ 80,409,554
Less accumulated depreciation						(20,701,922)
Net real estate assets						<u>\$ 59,707,632</u>

(1)The assets are owned by a consolidated VIE for future development of a market-rate multifamily property. See Note 5 for further information.

(2)Land held for development consists of land and development costs for parcels of land in Richland County, SC and Omaha, NE.

9. Investments in Unconsolidated Entities

ATAX Vantage Holdings, LLC, a wholly owned subsidiary of the Partnership, has equity investment commitments and has made equity investments in unconsolidated entities. The carrying value of the equity investments represents the Partnership's maximum exposure to loss. ATAX Vantage Holdings, LLC is the only limited equity investor in the unconsolidated entities. An affiliate of the unconsolidated entities guaranties ATAX Vantage Holdings, LLC's return on its investments through a date approximately five years after commencement of construction. The return on these investments earned by the Partnership is reported as "Investment income" in the Partnership's condensed consolidated statements of operations.

The following table provides the details of the investments in unconsolidated entities as of September 30, 2022 and December 31, 2021:

Property Name	Location	Units	Construction Commencement Date	Construction Completion Date	Carrying Value as of September 30, 2022	Carrying Value as of December 31, 2021
Vantage at Stone Creek	Omaha, NE	294	March 2018	April 2020	\$ 5,506,982	\$ 6,143,099
Vantage at Murfreesboro	Murfreesboro, TN	288	September 2018	October 2020	-	12,240,000
Vantage at Coventry	Omaha, NE	294	September 2018	February 2021	6,880,265	7,611,614
Vantage at Conroe	Conroe, TX	288	April 2019	January 2021	10,424,625	11,164,625
Vantage at O'Connor	San Antonio, TX	288	October 2019	June 2021	-	9,109,343
Vantage at Westover Hills	San Antonio, TX	288	January 2020	July 2021	-	8,861,504
Vantage at Tomball	Tomball, TX	288	August 2020	April 2022	12,731,001	11,814,774
Vantage at Hutto	Hutto, TX	288	December 2021	N/A	12,280,709	5,629,651
Vantage at Loveland	Loveland, CO	288	April 2021	N/A	17,752,152	10,913,911
Vantage at Helotes	Helotes, TX	288	May 2021	N/A	13,752,151	11,350,686
Vantage at Fair Oaks	Boerne, TX	288	September 2021	N/A	11,763,456	6,424,306
Vantage at McKinney Falls	McKinney Falls, TX	288	December 2021	N/A	12,011,905	6,530,009
					<u>\$ 103,103,246</u>	<u>\$ 107,793,522</u>

The Partnership has remaining commitments to provide additional equity funding for certain unconsolidated entities as of September 30, 2022. See Note 18 for further information regarding the Partnership's remaining equity funding commitments.

Activity in the First Nine Months of 2022

Sales Activity:

The following table summarizes sales information of the Partnership's investments in unconsolidated entities during the nine months ended September 30, 2022:

Property Name	Location	Units	Month Sold	Gross Proceeds to the Partnership	Investment Income	Gain on Sale
Vantage at Murfreesboro	Murfreesboro, TN	288	March 2022	\$ 29,258,279	\$ 657,937	\$ 16,360,343
Vantage at Westover Hills	San Antonio, TX	288	May 2022	20,923,784	-	12,658,501
Vantage at Bulverde	Bulverde, TX	288	(1)	60,000	-	60,000
Vantage at Germantown	Germantown, TN	288	(2)	4,407	-	4,407
Vantage at O'Connor	San Antonio, TX	288	July 2022	19,381,976	1,195	10,580,781
				<u>\$ 69,628,446</u>	<u>\$ 659,132</u>	<u>\$ 39,664,032</u>

(1) During the first nine months of 2022, the Partnership received net cash of approximately \$60,000 associated with final settlements of the Vantage at Bulverde sale in August 2021. The Partnership recognized the full amount as "Gain on sale of investment in an unconsolidated entity" on the Partnership's consolidated statements of operations.

(2) In March 2022, the Partnership received cash of approximately \$4,000 associated with final settlements of the Vantage at Germantown sale in March 2021. The Partnership recognized the full amount as "Gain on sale of investment in an unconsolidated entity" on the Partnership's consolidated statements of operations.

Activity in the First Nine Months of 2021

Sales Activity:

The following table summarizes sales information of the Partnership's investments in unconsolidated entities during the nine months ended September 30, 2021:

Property Name	Location	Units	Month Sold	Gross Proceeds to the Partnership	Investment Income	Gain on Sale
Vantage at Germantown	Germantown, TN	288	March 2021	\$ 16,096,560	\$ 862,454	\$ 2,809,106
Vantage at Powdersville	Powdersville, SC	288	May 2021	20,118,680	2,359,394	5,463,484
Vantage at Bulverde	Bulverde, TX	288	August 2021	18,916,961	1,392,312	6,954,649
				<u>\$ 55,132,201</u>	<u>\$ 4,614,160</u>	<u>\$ 15,227,239</u>

New and Amended Equity Commitments:

In April 2021, the Partnership executed a \$16.3 million equity commitment to fund the construction of the Vantage at Loveland multifamily property.

In May 2021, the Partnership executed a \$12.6 million equity commitment to fund the construction of the Vantage at Helotes multifamily property.

In September 2021, Vantage at Fair Oaks ceased to be a consolidated VIE (Note 5) and the Partnership executed an \$11.0 million commitment to fund the construction of the property.

Summarized Unconsolidated Entity Level Financial Data

The following table provides combined summary financial information for the properties underlying the Partnership's investments in unconsolidated entities for the three and nine months ended September 30, 2022 and 2021:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Property Revenues	<u>\$ 4,732,250</u>	<u>\$ 6,486,029</u>	<u>\$ 16,847,354</u>	<u>\$ 17,444,805</u>
Gain on sale of property	<u>\$ 23,231,887</u>	<u>\$ 17,646,543</u>	<u>\$ 87,835,109</u>	<u>\$ 42,273,235</u>
Net income	<u>\$ 23,309,924</u>	<u>\$ 17,591,694</u>	<u>\$ 88,447,049</u>	<u>\$ 38,102,642</u>

10. Property Loans, Net of Loan Loss Allowances

The following tables summarize the Partnership's property loans, net of loan loss allowances, as of September 30, 2022 and December 31, 2021:

	September 30, 2022				
	Outstanding Balance	Loan Loss Allowance	Property Loan Principal, net of allowance	Maturity Date	Interest Rate
Senior Construction Financing ⁽¹⁾					
Centennial Crossings	\$ 24,250,000	\$ -	\$ 24,250,000	9/1/2023	LIBOR + 2.50%
Hilltop at Signal Hills	18,968,334	-	18,968,334	8/1/2023	SOFR + 3.07%
Legacy Commons at Signal Hills	28,166,905	-	28,166,905	2/1/2024	SOFR + 3.07%
Magnolia Heights	1,000,000	-	1,000,000	7/1/2024	SOFR + 3.85%
Oasis at Twin Lakes	24,018,657	-	24,018,657	8/1/2023	LIBOR + 2.50%
Osprey Village	1,000,000	-	1,000,000	8/1/2024	SOFR + 3.07%
Scharbauer Flats Apartments	24,160,000	-	24,160,000	1/1/2023	LIBOR + 2.85%
Willow Place Apartments	1,000,000	-	1,000,000	10/1/2024	SOFR + 3.30%
Subtotal	122,563,896	-	122,563,896		
Other					
Avistar (February 2013 portfolio)	\$ 201,972	\$ -	\$ 201,972	6/26/2024	12.00%
Avistar (June 2013 portfolio)	251,622	-	251,622	6/26/2024	12.00%
Greens Property	850,000	-	850,000	9/1/2046	10.00%
Live 929 Apartments	495,000	(495,000)	-	7/31/2049	8.00%
Subtotal	1,798,594	(495,000)	1,303,594		
Total	\$ 124,362,490	\$ (495,000)	\$ 123,867,490		

⁽¹⁾The property loans are held in trust in connection with TOB trust financings (Note 15). The property loans and associated GILs are on parity and share a first mortgage lien position on all real and personal property associated with the underlying property. Affiliates of the borrowers have guaranteed limited-to-full payment of principal and accrued interest on the property loans. The borrowers may elect to extend the maturity dates for periods ranging between six and twelve months upon meeting certain conditions, which may include payment of a non-refundable extension fee. The variable index interest rate components are typically subject to floors that range from 0% to 0.50%.

	December 31, 2021				
	Outstanding Balance	Loan Loss Allowance	Property Loan Principal, net of allowance	Maturity Date	Interest Rate
Senior Construction Financing ⁽¹⁾					
Centennial Crossings	\$ 11,354,386	\$ -	\$ 11,354,386	9/1/2023	LIBOR + 2.50%
Hilltop at Signal Hills	1,000,000	-	1,000,000	8/1/2023	SOFR + 3.07%
Legacy Commons at Signal Hills	2,604,230	-	2,604,230	2/1/2024	SOFR + 3.07%
Oasis at Twin Lakes	20,607,362	-	20,607,362	8/1/2023	LIBOR + 2.50%
Osprey Village	1,000,000	-	1,000,000	8/1/2024	SOFR + 3.07%
Scharbauer Flats Apartments	9,708,598	-	9,708,598	1/1/2023	LIBOR + 2.85%
Willow Place Apartments	1,000,000	-	1,000,000	10/1/2024	SOFR + 3.30%
Subtotal	47,274,576	-	47,274,576		
Senior Acquisition Financing					
Magnolia Crossing	\$ 13,424,579	\$ -	\$ 13,424,579	12/1/2022	SOFR + 6.50% ⁽²⁾
Subtotal	13,424,579	-	13,424,579		
Other					
Avistar (February 2013 portfolio)	\$ 201,972	\$ -	\$ 201,972	6/26/2024	12.00%
Avistar (June 2013 portfolio)	251,622	-	251,622	6/26/2024	12.00%
Cross Creek	11,101,887	(7,393,814)	3,708,073	12/1/2025	6.15%
Greens Property	850,000	-	850,000	9/1/2046	10.00%
Live 929 Apartments	1,355,534	(1,355,534)	-	7/31/2049	8.00%
Ohio Properties	2,390,446	-	2,390,446	12/1/2026 - 6/1/2050	10.00%
Subtotal	16,151,461	(8,749,348)	7,402,113		
Total	<u>\$ 76,850,616</u>	<u>\$ (8,749,348)</u>	<u>\$ 68,101,268</u>		

⁽¹⁾The property loans are held in trust in connection with TOB trust financings (Note 15). The property loans and associated GILs are on parity and share a first mortgage lien position on all real and personal property associated with the underlying property. Affiliates of the borrowers have guaranteed limited-to-full payment of principal and accrued interest on the property loans. The borrowers may elect to extend the maturity dates for periods ranging between six and twelve months upon meeting certain conditions, which may include payment of a non-refundable extension fee. The variable index interest rate components are typically subject to floors that range from 0% to 0.50%.

⁽²⁾The index is subject to a floor of 0.25%.

The Partnership recognized a provision for loan loss and associated loan loss allowance of zero and approximately \$330,000 for the three and nine months ended September 30, 2021 related to the Live 929 Apartments property loan as the Partnership determined it was probable the outstanding balance will not be collectible.

During the three and nine months ended September 30, 2022 and 2021, the interest to be earned on the Live 929 Apartments property loan was in nonaccrual status. The discounted cash flow method used by management to establish the net realizable value of the property loan determined the collection of the interest accrued was not probable. In addition, interest to be earned on the Cross Creek property loan and approximately \$983,000 of property loan principal for the Ohio Properties was in nonaccrual status for the three and nine months ended September 30, 2021 as, in management's opinion, the interest was not considered collectible.

Activity in the First Nine Months of 2022

In January 2022, the Partnership received approximately \$1.0 million of principal and interest due on the Live 929 Apartments property loan upon restructuring of the outstanding debt of Live 929 Apartments. The principal payment and related loan loss allowance were considered in the troubled debt restructuring of the Partnership's investments in Live 929 Apartments discussed further in Note 6.

In March 2022, the Ohio Properties property loans were repaid in full. The Partnership received approximately \$2.4 million of principal and approximately \$4.3 million of accrued interest upon redemption.

In April 2022, the Partnership provided a property loan to Poppy Grove Apartments in the amount of \$825,000 to fund the design and predevelopment costs for upcoming affordable housing developments in Elk Grove, CA.

In June 2022, concurrent with the acquisition of the Magnolia Heights GIL (Note 7), the Partnership committed \$10.3 million to provide a property loan for the construction of the underlying property on a draw-down basis. The property loan and associated GIL are on parity and share a first mortgage position on all real and personal property associated with the secured property.

In August 2022, the outstanding property loans due from Cross Creek were restructured and the Partnership advanced additional funds totaling approximately \$7.7 million. In September 2022, the underlying Cross Creek property was sold and the Partnership received \$13.0 million as redemption proceeds to satisfy all outstanding balances, which consisted of \$11.4 million of principal payments and approximately \$1.7 million of accrued interest. All property loan balances due from Cross Creek were previously on non-accrual status and fully reserved, so the Partnership recognized approximately \$1.7 million of other interest income upon redemption.

In September 2022, the Magnolia Crossing property loan was repaid in full. The Partnership received proceeds of approximately \$14.1 million representing outstanding principal and accrued interest upon redemption.

In September 2022, the Partnership advanced additional principal totaling \$900,000 under the Poppy Grove Apartments loan. The Poppy Grove Apartments property loan was subsequently paid in full in September 2022.

Activity in the First Nine Months of 2021

Concurrent with the acquisition of GILs (Note 7), the Partnership committed to provide property loans for the construction of the underlying properties on a draw-down basis as summarized below. The property loans and associated GILs are on parity and share a first mortgage position on all real and personal property associated with the secured property.

- \$32.2 million commitment related to Legacy Commons at Signal Hills;
- \$21.2 million commitment related to Hilltop at Signal Hills;
- \$25.5 million commitment related to Osprey Village; and
- \$21.4 million commitment related to Willow Place Apartments.

In March 2021, the Partnership amended the property loan with Live 929 Apartments to increase the total available loan amount to \$1.5 million from \$1.0 million. The property loan is subordinate to the MRBs associated with the property.

In August 2021, the Partnership received approximately \$328,000 as payment in full for outstanding principal and interest on the property loan due from Arbors at Hickory Ridge.

The following table summarizes the changes in the Partnership's loan loss allowance for the three and nine months ended September 30, 2022 and 2021:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Balance, beginning of period	\$ 7,888,815	\$ 8,635,162	\$ 8,749,348	\$ 8,305,046
Provision for loan loss	-	-	-	\$ 330,116
Other reductions ⁽¹⁾	(7,393,815)	-	(8,254,348)	-
Balance, end of period	<u>\$ 495,000</u>	<u>\$ 8,635,162</u>	<u>\$ 495,000</u>	<u>\$ 8,635,162</u>

⁽¹⁾The reduction in the loan loss allowance for the three and nine months ended September 30, 2022 is due to the redemption of all Cross Creek property loan balances in September 2022 and a principal payment received on the Live 929 Apartments property loan as part of the restructuring of the outstanding debt of Live 929 Apartments (Note 6) in January 2022.

11. Income Tax Provision

The Partnership recognizes current income tax expense for federal, state, and local income taxes incurred by the Greens Hold Co, which owns The 50/50 MF Property and certain property loans. The following table summarizes income tax expense (benefit) for the three and nine months ended September 30, 2022 and 2021:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Current income tax expense (benefit)	\$ (38,980)	\$ (39,131)	\$ 3,688	\$ 104,483
Deferred income tax benefit	(42,543)	(42,011)	(49,250)	(77,681)
Total income tax expense (benefit)	<u>\$ (81,523)</u>	<u>\$ (81,142)</u>	<u>\$ (45,562)</u>	<u>\$ 26,802</u>

The Partnership evaluated whether it is more likely than not that its deferred income tax assets will be realizable. There was no valuation allowance recorded as of September 30, 2022 and December 31, 2021.

12. Other Assets

The following table summarizes the Partnership's other assets as of September 30, 2022 and December 31, 2021:

	September 30, 2022	December 31, 2021
Deferred financing costs, net	\$ 1,085,136	\$ 1,349,097
Fair value of derivative instruments (Note 17)	6,855,221	343,418
Taxable mortgage revenue bonds, at fair value	13,528,034	3,428,443
Taxable governmental issuer loans	4,000,000	1,000,000
Bond purchase commitments, at fair value (Note 18)	-	964,404
Operating lease right-of-use assets, net	1,598,037	1,619,714
Other assets	2,650,240	2,157,809
Total other assets	<u>\$ 29,716,668</u>	<u>\$ 10,862,885</u>

As of September 30, 2022 and December 31, 2021, the operating lease right-of-use assets consisted primarily of a ground lease at the 50/50 MF Property (Note 13).

The Partnership has remaining commitments to provide additional funding of the taxable GILs and taxable MRBs during construction and/or rehabilitation of the secured properties as of September 30, 2022. See Note 18 for further information regarding the Partnership's remaining taxable GIL and taxable MRB funding commitments.

See Note 22 for a description of the methodology and significant assumptions for determining the fair value of derivative instruments, taxable MRBs and bond purchase commitments. Unrealized gains or losses on derivative instruments are reported as "Interest expense" in the Partnership's condensed consolidated statements of operations. Unrealized gain or losses on taxable MRBs and bond purchase commitments are recorded in the Partnership's condensed consolidated statements of comprehensive income to reflect changes in their estimated fair values resulting from market conditions and fluctuations in the present value of the expected cash flows from the assets.

As of September 30, 2022, three taxable MRBs with a fair value of \$9.0 million were held in trust in connection with TOB trust financings (Note 15).

Activity in the First Nine Months of 2022

The following table includes details of the taxable MRBs and taxable GILs acquired during the nine months ended September 30, 2022:

Property Name	Month Acquired	Property Location	Units	Maturity Date	Interest Rate	Initial Principal Acquired
Live 929 Apartments - Series 2022B	January 2022	Baltimore, MD	575	1/1/2029	4.30%	\$ 3,625,000
Residency at the Entrepreneur - Series J-T ⁽¹⁾	April 2022	Los Angeles, CA	200	4/1/2025	SOFR + 3.65%	1,000,000
Poppy Grove I ⁽²⁾	September 2022	Elk Grove, CA	147	4/1/2025	6.78%	1,000,000
Poppy Grove II ⁽²⁾	September 2022	Elk Grove, CA	82	4/1/2025	6.78%	1,000,000
Poppy Grove III ⁽²⁾	September 2022	Elk Grove, CA	158	4/1/2025	6.78%	1,000,000
						<u>\$ 7,625,000</u>

⁽¹⁾The Partnership has committed to provide total funding for this taxable MRB of \$13.0 million (see Note 18). The borrower has the option to extend the maturity up to six months upon payment of a non-refundable extension fee. The interest rate is subject to an all-in floor of 3.92%.

⁽²⁾The Partnership has committed to provide total funding for the Poppy Grove I, Poppy Grove II, and Poppy Grove III taxable GILs of \$21.2 million, \$10.9 million, and \$24.5 million, respectively (see Note 18). The borrowers have the option to extend the maturities up to six months upon payment of non-refundable extension fees.

Activity in the First Nine Months of 2021

The following table includes details of the taxable GIL acquired during the nine months ended September 30, 2021:

Property Name	Date Committed	Maturity Date	Initial Outstanding Balance	Total Commitment
Hope on Avalon	January 2021	2/1/2023 ⁽¹⁾	\$ 1,000,000	\$ 10,573,000

⁽¹⁾The borrower has the option to extend the maturity up to six months upon payment of a non-refundable extension fee.

13. Accounts Payable, Accrued Expenses and Other Liabilities

The following table summarizes the Partnership's accounts payable, accrued expenses and other liabilities as of September 30, 2022 and December 31, 2021:

	September 30, 2022	December 31, 2021
Accounts payable	\$ 1,784,160	\$ 1,234,111
Accrued expenses	4,462,978	4,102,381
Accrued interest expense	5,967,620	4,229,119
Operating lease liabilities	2,152,660	2,151,991
Bond purchase commitment, at fair value (Note 18)	82,911	-
Other liabilities	1,915,793	1,946,610
Total accounts payable, accrued expenses and other liabilities	<u>\$ 16,366,122</u>	<u>\$ 13,664,212</u>

The 50/50 MF Property has a ground lease with the University of Nebraska-Lincoln with an initial lease term expiring in March 2048. The Partnership has an option to extend the lease for an additional five-year period, which has not been factored into the calculation of the ROU asset and lease liability. Annual lease payments are \$100 per year. The Partnership is also required to make monthly payments, when cash is available at The 50/50 MF Property, to the University of Nebraska-Lincoln. Payment amounts are based on The 50/50 MF Property's revenues, subject to an annual guaranteed minimum amount. As of September 30, 2022, the minimum aggregate annual payment due under the agreement is approximately \$141,000. The minimum aggregate annual payment increases 2% annually until July 31, 2034 and increases 3% annually thereafter. The 50/50 MF Property will be required to make additional payments under the agreement if its gross revenues exceed certain thresholds. The Partnership recognized expenses related to the ground lease of approximately \$42,000 and \$126,000 for the three and nine months ended September 30, 2022 and 2021, respectively, and are reported within "Real estate operating expenses" in the Partnership's condensed consolidated statements of operations.

The following table summarizes future contractual payments for the Partnership's operating leases and a reconciliation to the carrying value of operating lease liabilities as of September 30, 2022:

Remainder of 2022	\$ 35,657
2023	143,561
2024	144,706
2025	147,598
2026	150,548
Thereafter	4,219,127
Total	4,841,197
Less: Amount representing interest	(2,688,537)
Total operating lease liabilities	<u>\$ 2,152,660</u>

14. Secured Lines of Credit

The following tables summarize the Partnership's secured lines of credit ("LOC" or "LOCs") as of September 30, 2022 and December 31, 2021:

Secured Lines of Credit	Outstanding as of September 30, 2022	Total Commitment	Commitment Maturity	Variable / Fixed	Reset Frequency	Period End Rate
BankUnited General LOC	\$ 6,500,000	\$ 40,000,000	June 2023 ⁽¹⁾	Variable ⁽²⁾	Monthly	5.88 %
Bankers Trust Acquisition LOC	24,442,000	50,000,000	June 2024 ⁽³⁾	Variable ⁽⁴⁾	Monthly	5.10 %
	<u>\$ 30,942,000</u>	<u>\$ 90,000,000</u>				

⁽¹⁾The General LOC contains two one-year extensions subject to certain conditions and payment of a 0.25% extension fee. The first extension request by the Partnership will be granted by BankUnited, N.A. ("BankUnited") if all such conditions are met. Any subsequent extension requested by the Partnership will be granted or denied in the sole discretion of the lenders.

⁽²⁾The variable rate is equal to LIBOR + 3.25%, subject to an all-in floor of 3.50%.

⁽³⁾The Partnership has two one-year extension options subject to certain conditions and payment of a \$25,000 extension fee.

⁽⁴⁾The variable rate is equal to 2.50% plus a variable component based on the 1-month forward looking term Secured Overnight Financing Rate as published by CME Group Benchmark Administration Limited ("Term SOFR").

Secured Lines of Credit	Outstanding as of December 31, 2021	Total Commitment	Commitment Maturity	Variable / Fixed	Reset Frequency	Period End Rate
BankUnited General LOC	\$ 6,500,000	\$ 40,000,000	June 2023 ⁽¹⁾	Variable ⁽²⁾	Monthly	3.50 %
Bankers Trust Acquisition LOC	39,214,000	50,000,000	June 2023	Variable ⁽³⁾	Monthly	3.10 %
	<u>\$ 45,714,000</u>	<u>\$ 90,000,000</u>				

(1) The General LOC contains two one-year extensions subject to certain conditions and payment of a 0.25% extension fee. The first extension request by the Partnership will be granted by BankUnited if all such conditions are met. Any subsequent extension requested by the Partnership will be granted or denied in the sole discretion of the lenders.

(2) The variable rate is equal to LIBOR + 3.25%, subject to an all-in floor of 3.50%.

(3) The variable rate is equal to the greater of (i) the Prime Rate or (ii) 3.25% per annum; plus or minus a margin varying from 0.35% to (0.65%) depending upon the ratio of the Partnership's senior debt to market value of assets.

The Partnership has entered into a secured Credit Agreement ("Secured Credit Agreement") of up to \$40.0 million with BankUnited and Bankers Trust Company, and the sole lead arranger and administrative agent, BankUnited, for a general secured line of credit (the "General LOC"). The aggregate available commitment cannot exceed a borrowing base calculation, that is equal to 40% multiplied by the aggregate value of a pool of eligible encumbered assets. Eligible encumbered assets consist of (i) the net book value of the Suites on Paseo MF Property, and (ii) 100% of the Partnership's capital contributions to equity investments, subject to certain restrictions. The proceeds of the General LOC will be used by the Partnership to purchase additional investments and to meet general working capital and liquidity requirements. The Partnership may borrow, prepay and reborrow amounts at any time through the maturity date, subject to the limitations of the borrowing base.

The General LOC is secured by first priority security interests in the Partnership's investments in unconsolidated entities, a mortgage and assignment of leases and rents of the Suites on Paseo MF Property, and a security interest in a bank account at BankUnited, in which the Partnership must maintain a balance of not less than \$5.0 million. In addition, an affiliate of the Partnership, Greystone Select Incorporated ("Greystone Select"), has provided a deficiency guaranty of the Partnership's obligations under the Secured Credit Agreement. Greystone Select is subject to certain covenants and was in compliance with such covenants as of September 30, 2022. No fees were paid to Greystone Select related to the deficiency guaranty agreement.

The Partnership is subject to various affirmative and negative covenants under the Secured Credit Agreement that, among others, require the Partnership to maintain a minimum liquidity of not less than \$5 million, maintain a minimum consolidated tangible net worth of \$100.0 million, and to notify BankUnited if the Partnership's consolidated net worth declines by (a) more than 20% from the immediately preceding quarter, or (b) more than 35% from the date at the end of two consecutive calendar quarters ending immediately thereafter. The Partnership was in compliance with all covenants as of September 30, 2022.

In addition, the Partnership and Bankers Trust Company have entered into an amended and restated credit agreement for a secured non-operating line of credit (the "Acquisition LOC") with a maximum commitment of up to \$50.0 million. The Acquisition LOC may be used to fund purchases of multifamily real estate, tax-exempt or taxable MRBs, and tax-exempt or taxable loans issued to finance the acquisition, rehabilitation, or construction of affordable housing or which are otherwise secured by real estate or mortgage-backed securities (collectively, the "financed assets"). The financed assets acquired with the proceeds of the Acquisition LOC will be held in a custody account and the outstanding balances of the Acquisition LOC will be secured by a first priority interest in the financed assets and will be maintained in the custody account until released by Bankers Trust Company.

Advances on the Acquisition LOC are due on the 270th day following the advance date but may be extended for up to three additional 90-day periods, but in no event later than the maturity date by providing Bankers Trust Company with a written request for such extension together with a principal payment of 5% of the principal amount of the original acquisition advance for the first such extension, 10% for the second such extension, and 20% for the third such extension. In July 2022, the Partnership executed an amendment to the credit agreement that extended the maturity date to June 2024; provided the Partnership two one-year extension options, subject to certain terms and conditions; removed certain restricted payment provisions; modified the covenant requiring senior debt to not exceed a specified percentage of the market value of the Partnership's assets to be consistent with the Leverage Ratio (as defined by the Partnership) and increased the threshold percentage; modified certain notification provisions regarding defaults under agreements with other creditors; added certain events of default that are consistent with the Partnership's other secured financing arrangements; and eliminated the Partnership's ability to finance purchases of existing or to-be-constructed multifamily property improvements under the credit agreement. In addition, certain interest rate terms were modified. The Partnership was in compliance with all covenants as of September 30, 2022.

15. Debt Financing

The following tables summarize the Partnership's debt financings, net of deferred financing costs, as of September 30, 2022 and December 31, 2021:

	Outstanding Debt Financings as of September 30, 2022, net	Restricted Cash	Year Acquired	Stated Maturities	Reset Frequency	Variable Rate Index	Index Based Rates	Spread/ Facility Fees	Period End Rates
TEBS Financings									
Fixed - M24	\$ 7,752,126	\$ 39,080	2010	2027	N/A	N/A	N/A	N/A	3.05%
Variable - M31 ⁽¹⁾	75,970,493	4,999	2014	2024	Weekly	SIFMA	1.43%	2.49%	3.92%
Fixed - M33	29,713,724	2,606	2015	2030	N/A	N/A	N/A	N/A	3.24%
Fixed - M45 ⁽²⁾	212,430,600	5,000	2018	2034	N/A	N/A	N/A	N/A	3.82%
Secured Notes									
Variable - Notes	102,567,831	36,009,014	2020	2025	Monthly	3-month LIBOR	3.29%	9.00%	12.29% ⁽³⁾
TOB Trust Securitizations									
Mizuho Capital Markets:									
Variable - TOB	48,712,716	⁽⁴⁾	2020 - 2021	2023	Weekly	SIFMA	2.66% - 2.68%	0.89% - 1.44%	3.55% - 4.10%
Variable - TOB	139,759,072	⁽⁴⁾	2020	2023	Weekly	OBFR	3.32%	0.89%	4.21%
Variable - TOB	170,843,324	⁽⁴⁾	2021	2024	Weekly	OBFR	3.32%	0.89% - 1.16%	4.21% - 4.48%
Variable - TOB	59,556,053	⁽⁴⁾	2019 - 2020	2025	Weekly	SIFMA	2.66% - 2.68%	1.17% - 1.67%	3.83% - 4.35%
Variable - TOB	13,337,843	⁽⁴⁾	2022	2025	Weekly	OBFR	3.32%	1.18%	4.50%
Variable - TOB	53,088,531	⁽⁴⁾	2022	2027	Weekly	SIFMA	2.68%	1.18%	3.86%
Morgan Stanley:									
Fixed - Term TOB	12,852,040	-	2019	2024	N/A	N/A	N/A	N/A	1.98%
Barclays Capital Inc.:									
Variable - TOB	36,031,013	-	2021	2023	Weekly	OBFR	3.60%	1.27%	4.87%
Total Debt Financings	<u>\$ 962,615,366</u>								

(1) Facility fees have a variable component.

(2) The M45 TEBS has an initial interest rate of 3.82% through July 31, 2023. From August 1, 2023 through the stated maturity date, the interest rate is 4.39%. These rates are inclusive of credit enhancement fees payable to Freddie Mac.

(3) The Partnership has entered into a total return swap transaction with the Secured Notes as the reference security and a notional amount totaling the outstanding principal on the Secured Notes. The total return swap effectively nets down the interest rate on the Secured Notes. Considering the effect of the total return swap, the effective net interest rate of the Secured Notes is 7.04% as of September 30, 2022. See Note 17 for further information on the total return swap.

(4) The Partnership has restricted cash totaling approximately \$4.5 million related to its total net position with Mizuho Capital Markets.

	Outstanding Debt Financings as of December 31, 2021, net	Restricted Cash	Year Acquired	Stated Maturities	Reset Frequency	Variable Rate Index	Index Based Rates	Spread/ Facility Fees	Period End Rates
TEBS Financings									
Fixed - M24	\$ 35,551,762	\$ 204,000	2010	2027	N/A	N/A	N/A	N/A	3.05%
Variable - M31 ⁽¹⁾	76,964,051	4,999	2014	2024	Weekly	SIFMA	0.13%	1.32%	1.45%
Fixed - M33	30,191,051	2,606	2015	2030	N/A	N/A	N/A	N/A	3.24%
Fixed - M45 ⁽²⁾	213,931,752	5,000	2018	2034	N/A	N/A	N/A	N/A	3.82%
Secured Notes									
Variable - Notes	102,798,158	77,531,264	2020	2025	Monthly	3-month LIBOR	0.20%	9.00%	9.20% ⁽³⁾
TOB Trust Securitizations									
Mizuho Capital Markets:									
Variable - TOB	13,482,312	-	2020	2022	Weekly	SIFMA	0.23%	0.89%	1.12%
Variable - TOB	117,257,933	-	2019 - 2021	2023	Weekly	SIFMA	0.23% - 0.30%	1.17% - 1.67%	1.40% - 1.97%
Variable - TOB	115,143,312	-	2020	2023	Weekly	OBFR	0.18%	0.89%	1.07%
Variable - TOB	98,703,495	-	2021	2024	Weekly	OBFR	0.18%	0.89% - 1.16%	1.07% - 1.34%
Morgan Stanley:									
Fixed - Term TOB	12,915,190	-	2019	2024	N/A	N/A	N/A	N/A	1.98%
Barclays Capital Inc.:									
Variable - TOB	3,139,698	-	2021	2022	Weekly	OBFR	0.14%	1.27%	1.41%
Total Debt Financings	<u>\$ 820,078,714</u>								

⁽¹⁾Facility fees have a variable component.

⁽²⁾The M45 TEBS has an initial interest rate of 3.82% through July 31, 2023. From August 1, 2023 through the stated maturity date, the interest rate is 4.39%. These rates are inclusive of credit enhancement fees payable to Freddie Mac.

⁽³⁾The Partnership has entered into two total return swap transactions with the Secured Notes as the reference security and notional amounts totaling the outstanding principal on the Secured Notes. The total return swaps effectively net down the interest rate on the Secured Notes. Considering the effect of the total return swaps, the effective net interest rate is 4.25% for approximately \$39.6 million of the Secured Notes and 1.00% for approximately \$63.5 million of the Secured Notes as of December 31, 2021. See Note 17 for further information on the total return swaps.

The TOB, Term TOB and TEBS financing arrangements are consolidated VIEs of the Partnership (Note 5). The Partnership is the primary beneficiary due to its rights to the underlying assets. Accordingly, the Partnership consolidates the TOB, Term TOB and TEBS financings on the Partnership's condensed consolidated financial statements. See information regarding the MRBs, GILs, property loans, taxable MRBs and taxable GIL securitized within the TOB, Term TOB and TEBS financings in Notes 6, 7, 10 and 12, respectively. As the residual interest holder in the arrangements, the Partnership may be required to make certain payments or contribute certain assets to the VIEs if certain events occur. Such events include, but are not limited to, a downgrade in the investment rating of the senior securities issued by the VIEs, a ratings downgrade of the liquidity provider for the VIEs, increases in short term interest rates beyond pre-set maximums, an inability to re-market the senior securities, or an inability to obtain liquidity for the senior securities. If such an event occurs in an individual VIE, the Partnership may be required to deleverage the VIE by repurchasing some or all of the senior securities. Otherwise, the underlying collateral will be sold and, if the proceeds are not sufficient to pay the principal amount of the senior securities plus accrued interest and other trust expenses, the Partnership will be required to fund any such shortfall. If the Partnership does not fund the shortfall, the default and liquidation provisions will be invoked against the Partnership. The Partnership has never been, and does not expect in the future, to be required to reimburse the VIEs for any shortfall.

The Partnership has entered into various TOB trust financings with Mizuho and Barclays secured by MRBs, GILs, taxable MRBs, a taxable GIL, and property loans. The TOB trusts and Secured Notes with Mizuho and the TOB trust with Barclays are subject to respective master agreements that contain certain covenants and requirements. The TOB trust financings with Mizuho and Barclays require that the Partnership's residual interests in each TOB trust maintain a certain value in relation to total assets in each TOB trust. The Mizuho and Barclays master agreements also require the Partnership's partners' capital, as defined, to maintain a certain threshold and that the Partnership remain listed on the NASDAQ. The master agreement with Barclays also puts limits on the Partnership's Leverage Ratio (as defined by the Partnership). In addition, both Mizuho and Barclays master agreements specify that default(s) on the Partnership's other senior debts above a specified dollar amount, in the aggregate, will constitute a default under the master agreement. If the Partnership is not in compliance with any of these covenants, a termination event of the financing facilities would be triggered. The Partnership was in compliance with these covenants as of September 30, 2022.

As of September 30, 2022 and December 31, 2021, the Partnership posted restricted cash as contractually required under the terms of the four TEBS financings. In addition, the Partnership has entered into an interest rate cap agreement to mitigate its exposure to interest rate fluctuations on the variable-rate M31 TEBS financing (Note 17).

As of September 30, 2022 and December 31, 2021, the restricted cash associated with the Secured Notes is collateral posted with Mizuho according to the terms of two total return swaps that have the Secured Notes as the reference security (Note 17). The Partnership may also be required to post additional collateral if the value of TEBS financing residual certificates declines below a threshold under the total return swaps.

The Partnership may also be required to post collateral, typically cash, related to the TOB trust financings with Mizuho and Barclays. The amount of collateral posting required is dependent on the valuation of the securitized assets and interest rate swaps (Note 17) in relation to thresholds set by Mizuho and Barclays. As of September 30, 2022, the Partnership had posted approximately \$4.5 million of cash collateral with Mizuho. There was no requirement to post collateral with Barclays as of September 30, 2022.

The Term TOB trust financing with Morgan Stanley is subject to a Trust Agreement and other related agreements that contain covenants with which the Partnership or the underlying MRB are required to comply. The underlying property must maintain certain occupancy and debt service covenants. A termination event will occur if the Partnership's net assets, as defined, decrease by 25% in one quarter or 35% over one year. The covenants also require the Partnership's partners' capital, as defined, to maintain a certain threshold and that the Partnership remain listed on a nationally recognized stock exchange. If the underlying property or the Partnership, as applicable, is out of compliance with any of these covenants, a termination event of the financing facility would be triggered. The Partnership was in compliance with all covenants as of September 30, 2022.

The Partnership's variable rate debt financing arrangements include maximum interest rate provisions that prevent the debt service on the debt financings from exceeding the cash flows from the underlying securitized assets.

Activity in the First Nine Months of 2022

New Debt Financings:

The following is a summary of the new TOB trust financings that were entered into during the nine months ended September 30, 2022:

TOB Trusts Securitization	Initial TOB Trust Financing	Stated Maturity	Reset Frequency	Variable Rate Index	Facility Fees
Residency at the Entrepreneur MRBs and taxable MRB	\$ 14,000,000	April 2025	Weekly	OBFR	1.18%
Live 929 Series 2022A MRB ⁽¹⁾	53,092,000	September 2027	Weekly	SIFMA	1.18%
Total TOB Trust Financings	\$ 67,092,000				

⁽¹⁾The TOB Trust financing associated with the Live 929 Apartments MRB and taxable MRB was originated in January 2022 and subsequently redeemed in September 2022. The Live 929 Apartments Series 2022A MRB was securitized into a new TOB Trust financing in September 2022. The Live 929 Apartments Series 2022B taxable MRB was removed from the original TOB trust financing and was not leveraged in a debt financing facility as of September 30, 2022. The termination of the original TOB Trust financing was treated as an extinguishment for accounting purposes and the Partnership expensed approximately \$508,000 of deferred financings costs.

In July 2022, the Partnership deposited the Magnolia Heights GIL and property loan into the existing TOB Trust 2021-XF2953 financing and received additional debt financing proceeds of approximately \$12.6 million.

Redemptions:

The following is a summary of TOB trust financings that were redeemed and all principal and interest were paid in full during the nine months ended September 30, 2022:

Debt Financing	Debt Facility	Month	Paydown Applied
Live 929 Apartments - 2014 Series A	TOB Trust	January 2022	\$ 31,565,000
Gateway Village	TOB Trust	May 2022	2,183,000
Lynnhaven Apartments	TOB Trust	May 2022	2,896,000
			\$ 36,644,000

Refinancing Activity:

The Partnership executed three-month extensions of the maturity date of Barclays credit facility Trust 2021-XF2953 in January, April, July and October 2022. There were no additional changes to terms or fees associated with the extensions.

In April 2022, the Partnership extended the maturity date of TOB trust financings for Hope on Avalon and Hope on Broadway from February 2023 to August 2023. Additionally, in June 2022, the Partnership extended the maturity date of the TOB trust financings for Ocotillo Springs - Series A from July 2022 to July 2023. There were no additional changes to terms or fees associated with the extensions.

In July 2022, the Partnership extended the maturity date of TOB trust financings for Montecito at Williams Ranch - Series A, Vineyard Gardens - Series A, Avistar at Copperfield - Series A, Avistar at Wilcrest - Series A, and Avistar at Wood Hollow - Series A from July 2023 to July 2025. There were no additional changes to terms or fees associated with the extensions.

In September 2022, the Partnership made certain structural modifications to the TOB trust financings for Hope on Avalon, Hope on Broadway and Jackson Manor, but these changes did not materially impact the financial terms of the TOB trust financings. The structural modifications required cash settlement of the initial TOB trust financings and receipt of cash proceeds from the new TOB trust financings. The cash settlements and proceeds are reported on a gross basis in the cash flows from financing activities section of the consolidated statements of cash flows.

Activity in the First Nine Months of 2021

New Debt Financings:

The following is a summary of the TOB trust financings that were entered into during the nine months ended September 30, 2021:

TOB Trusts Securitization	Initial TOB Trust Financing ⁽¹⁾	Stated Maturity	Reset Frequency	Variable Rate Index	Facility Fees
Trust 2021-XF2926 ⁽²⁾	\$ 16,190,000	January 2024	Weekly	OBFR	0.89%
Hope on Avalon GIL	5,064,000	February 2023	Weekly	SIFMA	1.42%
Hope on Broadway GIL	2,953,000	February 2023	Weekly	SIFMA	1.42%
Jackson Manor Apartments MRB	3,528,000	April 2023	Weekly	SIFMA	1.27%
Trust 2021-XF2939 ⁽³⁾	4,085,000	July 2024	Weekly	OBFR	1.16%
Total TOB Trust Financings	<u>\$ 31,820,000</u>				

(1) Amounts shown are the initial funding into the respective TOB trusts. The balances will increase based upon subsequent fundings of the related securitized assets and the current outstanding balances are contained in the summarized debt financing table above.

(2) The TOB trust is securitized by the Legacy Commons at Signal Hills GIL and property loan, Hilltop at Signal Hills GIL and property loan, Oasis at Twin Lakes property loan and Hope on Avalon taxable GIL.

(3) The TOB Trust is a securitization of the Osprey Village GIL and property loan and the Ocotillo Springs Series A-T taxable MRB.

Redemptions:

The following is a summary of the TOB trust financings that were collapsed and all principal and interest were paid in full during the nine months ended September 30, 2021:

Debt Financing	Debt Facility	Month	Paydown Applied
Rosewood Townhomes - Series A	TOB Trust	July 2021	\$ 7,700,000
South Pointe Apartments - Series A	TOB Trust	July 2021	17,990,000
			<u>\$ 25,690,000</u>

Refinancing Activity:

In June 2021, the Partnership extended the maturity date of the Morgan Stanley Term TOB financing from May 2022 to May 2024 and the interest rate was reduced to 1.98% from 3.53%.

Future Maturities

The Partnership's contractual maturities of borrowings as of September 30, 2022 for the twelve-month periods ending December 31st for the next five years and thereafter are as follows:

Remainder of 2022	\$	1,675,596
2023		230,681,816
2024		269,559,152
2025		177,359,289
2026		3,544,863
Thereafter		282,537,017
Total		965,357,733
Unamortized deferred financing costs and debt premium		(2,742,367)
Total debt financing, net	\$	<u>962,615,366</u>

16. Mortgages Payable and Other Secured Financing

The Partnership has entered into mortgages payable and other secured financings collateralized by MF Properties. The following is a summary of the mortgages payable and other secured financing, net of deferred financing costs, as of September 30, 2022 and December 31, 2021:

Property Mortgage Payables	Outstanding Mortgage Payable as of September 30, 2022, net	Outstanding Mortgage Payable as of December 31, 2021, net	Year Acquired or Refinanced	Stated Maturity	Variable / Fixed	Period End Rate
The 50/50 MF Property--TIF Loan	\$ 1,978,582	\$ 2,174,453	2020	March 2025	Fixed	4.40 %
The 50/50 MF Property--Mortgage	22,562,273	22,960,090	2020	April 2027	Fixed	4.35 %
Vantage at San Marcos--Mortgage ⁽¹⁾	1,690,000	1,690,000	2020	November 2022	Variable	7.00 %
Total Mortgage Payable/Weighted Average Period End Rate	<u>\$ 26,230,855</u>	<u>\$ 26,824,543</u>				<u>4.52 %</u>

⁽¹⁾The mortgage payable relates to a consolidated VIE for future development of a market-rate multifamily property (Note 5).

Future Maturities

The Partnership's contractual maturities of borrowings as of September 30, 2022 for the twelve-month periods ending December 31st for the next five years and thereafter are as follows:

Remainder of 2022	\$	1,996,021
2023		910,597
2024		948,679
2025		1,711,556
2026		641,276
Thereafter		20,023,765
Total		26,231,894
Unamortized deferred financing costs		(1,039)
Total mortgages payable and other secured financings, net	\$	<u>26,230,855</u>

17. Derivative Financial Instruments

The Partnership's derivative financial instruments are not designated as hedging instruments and are recorded at fair value. Changes in fair value are included in current period earnings as "Interest expense" in the Partnership's condensed consolidated statements of operations. The value of the Partnership's interest rate swaps are subject to mark-to-market collateral posting provisions in conjunction with the Partnership's TOB trust financings (Note 15). See Note 22 for a description of the methodology and significant assumptions for determining the fair value of the derivatives. The derivative financial instruments are presented within "Other assets" in the Partnership's condensed consolidated balance sheets.

Interest Rate Swap Agreements

During the first quarter of 2022, the Partnership entered into two interest rate swap agreements to mitigate interest rate risk associated with the variable rate TOB trust financings (Note 15). No fees were paid to Mizuho upon closing of the interest rate swaps. The following table summarizes the Partnership's interest rate swap agreements as of September 30, 2022:

Trade Date	Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Period End Variable Rate Received	Variable Rate Index	Variable Debt Financing Hedged ⁽¹⁾	Counterparty	Fair Value of Asset as of September 30, 2022
February 2022	55,990,000	2/9/2022	2/1/2024	1.40 %	2.49 %	SOFR	TOB Trusts	Mizuho Capital Markets	\$ 2,202,723
March 2022	47,850,000	3/3/2022	3/1/2027	1.65 %	2.49 %	SOFR	TOB Trusts	Mizuho Capital Markets	4,268,940
									<u>\$ 6,471,663</u>

(1) See Notes 15 and 22 for additional details.

Total Return Swap Agreements

The following table summarizes the terms of the Partnership's total return swaps as of September 30, 2022 and December 31, 2021:

Trade Date	Notional Amount	Effective Date	Termination Date	Period End Variable Rate Paid	Period End Variable Rate Received	Variable Rate Index	Counterparty	Fair Value as of September 30, 2022
September 2020	102,789,326	September 2020	Sept 2025	7.04 % ⁽¹⁾	12.29 % ⁽²⁾	3-month LIBOR	Mizuho Capital Markets	\$ 224,852
								<u>\$ 224,852</u>

(1) Variable rate equal to 3-month LIBOR + 3.75%, subject to an all-in floor of 4.25%.

(2) Variable rate equal to 3-month LIBOR + 9.00%.

Trade Date	Notional Amount	Effective Date	Termination Date	Period End Variable Rate Paid	Period End Variable Rate Received	Variable Rate Index	Counterparty	Fair Value as of December 31, 2021
September 2020	39,607,744	September 2020	Sept 2025	4.25% ⁽¹⁾	9.20% ⁽³⁾	3-month LIBOR	Mizuho Capital Markets	\$ 77,061
September 2020	63,500,000	September 2020	Mar 2022	1.00% ⁽²⁾	9.20% ⁽³⁾	3-month LIBOR	Mizuho Capital Markets	215,267
								<u>\$ 292,328</u>

(1) Variable rate equal to 3-month LIBOR + 3.75%, subject to an all-in floor of 4.25%.

(2) Variable rate equal to 3-month LIBOR + 0.50%, subject to an all-in floor of 1.00%.

(3) Variable rate equal to 3-month LIBOR + 9.00%.

The total return swap has the Partnership's Secured Notes with Mizuho as the specified reference security (Note 15). The notional amount of the total return swaps is \$102.8 million. The rate received on the total return swap is equal to the interest rate on the Secured Notes such that they offset one another, resulting in a net interest cost equal to the rate paid on the total return swap. Under the total return swap, the Partnership is liable for any decline in the value of the Secured Notes. If the fair value of the underlying Secured Notes is less than the outstanding principal balance, the Partnership is required to post additional cash collateral equal to the amount of the deficit. Such a deficit will also be reflected in the fair value of the total return swaps.

The Partnership was required to initially fund cash collateral with Mizuho for each total return swap. The total return swap with a current notional amount of \$102.8 million requires the Partnership to maintain cash collateral equal to 35% of the notional amount. The second total return swap, which was terminated in March 2022, required the Partnership to maintain cash collateral equal to 100% of the notional amount. In March 2022, the Partnership allocated the notional amount of \$63.5 million from the second total return swap to the first total return swap which resulted in an increase in unrestricted cash of approximately \$41.3 million.

Interest Rate Cap Agreement

The Partnership has entered into an interest rate cap agreement to mitigate our exposure to interest rate risk associated with variable-rate debt financing facilities. The following tables summarize the Partnership's interest rate cap agreement as of September 30, 2022 and December 31, 2021:

Purchase Date	Notional Amount	Maturity Date	Effective Capped Rate ⁽¹⁾	Index	Variable Debt Financing Hedged ⁽¹⁾	Counterparty	Fair Value as of September 30, 2022
August 2019	75,449,918	Aug 2024	4.5 %	SIFMA	M31 TEBS	Barclays Bank PLC	\$ 158,706
							<u>\$ 158,706</u>

⁽¹⁾See Notes 15 and 22 for additional details.

Purchase Date	Notional Amount	Maturity Date	Effective Capped Rate ⁽¹⁾	Index	Variable Debt Financing Hedged ⁽¹⁾	Counterparty	Fair Value as of December 31, 2021
August 2019	76,544,336	Aug 2024	4.5 %	SIFMA	M31 TEBS	Barclays Bank PLC	\$ 51,090
							<u>\$ 51,090</u>

⁽¹⁾See Notes 15 and 22 for additional details.

18. Commitments and Contingencies

Legal Proceedings

The Partnership, from time to time, is subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are frequently covered by insurance. If it has been determined that a loss is probable to occur and the amount of the loss can be reasonably estimated, the estimated amount of the loss is accrued in the Partnership's condensed consolidated financial statements. If the Partnership determines that a loss is reasonably possible, the Partnership will, if material, disclose the nature of the loss contingency and the estimated range of possible loss, or include a statement that no estimate of loss can be made. While the resolution of these matters cannot be predicted with certainty, the Partnership currently believes there are no pending legal proceedings in which the Partnership is currently involved the outcome of which will have a material effect on the Partnership's financial condition, results of operations, or cash flows.

Bond Purchase Commitments

The Partnership may enter into bond purchase commitments related to MRBs to be issued and secured by properties under construction. Upon execution of the bond purchase commitment, the proceeds from the MRBs will be used to pay off the construction related debt. The Partnership bears no construction or stabilization risk during the commitment period. The Partnership accounts for its bond purchase commitments as available-for-sale securities and reports the asset or liability at fair value. Changes in the fair value of bond purchase commitments are recorded as gains or losses on the Partnership's condensed consolidated statements of comprehensive income (loss). The following table summarizes the Partnership's bond purchase commitments as of September 30, 2022:

Bond Purchase Commitments	Commitment Date	Maximum Committed Amounts Remaining	Interest Rate	Estimated Closing Date	Fair Value as of September 30, 2022	Fair Value as of December 31, 2021
CCBA Senior Garden Apartments	July 2020	\$ -	4.50 %	June 2022 ⁽¹⁾	\$ -	\$ 495,784
Anaheim & Walnut	September 2021	3,900,000	4.85 %	Q3 2024	(82,911)	468,620
		<u>\$ 3,900,000</u>			<u>\$ (82,911)</u>	<u>\$ 964,404</u>

⁽¹⁾The closing date is actual.

Investment Commitments

The Partnership has remaining commitments to provide additional funding of certain MRBs, taxable MRBs, GILs, taxable GILs, and property loans while the secured properties are under construction or rehabilitation. The Partnership also has outstanding commitments to contribute additional equity to unconsolidated entities. The following table summarizes the Partnership's total and remaining commitments as of September 30, 2022:

Property Name	Commitment Date	Maturity Date	Interest Rate ⁽¹⁾	Total Initial Commitment	Remaining Commitment as of September 30, 2022
Mortgage Revenue Bonds					
Residency at the Mayer - Series A	October 2021	April 2039	SOFR + 3.60%	\$ 29,500,000	\$ 4,500,000
Meadow Valley	December 2021	December 2029	6.25%	44,000,000	42,276,563
Residency at the Entrepreneur- Series J-3	April 2022	March 2040	6.00%	26,080,000	26,080,000
Residency at the Entrepreneur- Series J-4	April 2022	March 2040	SOFR + 3.60% ⁽²⁾	16,420,000	16,420,000
Subtotal				116,000,000	89,276,563
Taxable Mortgage Revenue Bonds					
Residency at the Mayer Series A-T	October 2021	April 2024 ⁽³⁾	SOFR + 3.70%	\$ 12,500,000	\$ 11,500,000
Residency at the Entrepreneur Series J-T	April 2022	April 2025 ⁽³⁾	SOFR + 3.65%	13,000,000	12,000,000
Subtotal				25,500,000	23,500,000
Governmental Issuer Loans					
Hope on Broadway	January 2021	February 2023 ⁽³⁾	SIFMA + 3.75%	\$ 12,105,623	\$ 1,414,378
Osprey Village	July 2021	August 2024 ⁽³⁾	SOFR + 3.07%	60,000,000	29,351,561
Willow Place Apartments	September 2021	October 2024 ⁽³⁾	SOFR + 3.30%	25,000,000	12,641,729
Poppy Grove I	September 2022	April 2025 ⁽³⁾	6.78%	35,688,328	28,942,328
Poppy Grove II	September 2022	April 2025 ⁽³⁾	6.78%	22,250,000	18,708,700
Poppy Grove III	September 2022	April 2025 ⁽³⁾	6.78%	39,119,507	31,769,507
Subtotal				194,163,458	122,828,203
Taxable Governmental Issuer Loans					
Hope on Avalon	January 2021	February 2023 ⁽³⁾	SOFR + 3.55%	\$ 10,573,000	\$ 9,573,000
Poppy Grove I	September 2022	April 2025 ⁽³⁾	6.78%	21,157,672	20,157,672
Poppy Grove II	September 2022	April 2025 ⁽³⁾	6.78%	10,941,300	9,941,300
Poppy Grove III	September 2022	April 2025 ⁽³⁾	6.78%	24,480,493	23,480,493
Subtotal				67,152,465	63,152,465
Property Loans					
Oasis at Twin Lakes	July 2020	August 2023 ⁽³⁾	LIBOR + 2.50%	\$ 27,704,180	\$ 3,685,523
Hilltop at Signal Hills	January 2021	August 2023 ⁽³⁾	SOFR + 3.07%	21,197,939	2,229,605
Legacy Commons at Signal Hills	January 2021	February 2024 ⁽³⁾	SOFR + 3.07%	32,233,972	4,067,067
Osprey Village	July 2021	August 2024 ⁽³⁾	SOFR + 3.07%	25,500,000	24,500,000
Willow Place Apartments	September 2021	October 2024 ⁽³⁾	SOFR + 3.30%	21,351,328	20,351,328
Magnolia Heights	June 2022	July 2024 ⁽³⁾	SOFR + 3.85%	10,300,000	9,300,000
Subtotal				138,287,419	64,133,523
Equity Investments					
Vantage at San Marcos ⁽⁴⁾	November 2020	N/A	N/A	\$ 9,914,529	\$ 8,943,914
Subtotal				9,914,529	8,943,914
Bond Purchase Commitments					
Anaheim & Walnut	September 2021	Q3 2024 ⁽⁵⁾	4.85%	\$ 3,900,000	\$ 3,900,000
Subtotal				3,900,000	3,900,000
Total Commitments				<u>\$ 554,917,871</u>	<u>\$ 375,734,668</u>

(1) The variable index interest rate components are typically subject to floors that range from 0% to 0.85%.

(2) Upon stabilization, the MRB will convert to a fixed rate of 8.0% and become subordinate to the other senior MRBs.

(3) The borrowers may elect to extend the maturity date for a period ranging between six and twelve months upon meeting certain conditions, which may include payment of a non-refundable extension fee.

(4) The property became a consolidated VIE effective during the fourth quarter of 2021 (Note 5). A development site has been identified for this property but construction had not commenced as of September 30, 2022.

(5) This is the estimated closing date of the associated bond purchase commitment.

Construction Loan Guaranties

The Partnership has entered into guaranty agreements for bridge loans related to certain investments in unconsolidated entities. The Partnership will only have to perform on the guaranties if a default by the borrower were to occur. The Partnership has not accrued any amount for these contingent liabilities because the Partnership believes the likelihood of guaranty claims is remote. The following table summarizes the Partnership's maximum exposure under these guaranty agreements as of September 30, 2022:

Borrower	Guaranty Maturity	Maximum Balance Available on Loan	Loan Balance as of September 30, 2022	Partnership's Maximum Exposure as of September 30, 2022	Guarantee Terms
Vantage at Stone Creek	2023	\$ 34,222,000	\$ 34,222,000	\$ 17,111,000	(1)
Vantage at Coventry	2023	34,536,000	34,536,000	17,268,000	(1)

(1) The Partnership's guaranty is for 50% of the loan balance. The Partnership has guaranteed up to 100% of the outstanding loan balance upon the occurrence of fraud or other willful misconduct by the borrower or if the borrower voluntarily files for bankruptcy. The guaranty agreement requires the Partnership to maintain a minimum net worth of not less than \$100.0 million and maintain liquid assets of not less than \$5.0 million. The Partnership was in compliance with these requirements as of September 30, 2022. The Partnership has also provided indemnification to the lender for various costs including environmental non-compliance and remediation during the term.

Other Guaranties and Commitments

The Partnership has entered into guaranty agreements with unaffiliated entities under which the Partnership has guaranteed certain obligations of the general partners of certain limited partnerships upon the occurrence of a "repurchase event." Potential repurchase events include LIHTC tax credit recapture and foreclosure. The Partnership's maximum exposure is limited to 75% of the equity contributed by the limited partner to each limited partnership. No amount has been accrued for these guaranties because the Partnership believes the likelihood of repurchase events is remote. The following table summarizes the Partnership's maximum exposure under these guaranty agreements as of September 30, 2022:

Limited Partnership(s)	End of Guaranty Period	Partnership's Maximum Exposure as of September 30, 2022
Ohio Properties	2026	\$ 2,661,066
Greens of Pine Glen, LP	2027	1,854,212

19. Redeemable Preferred Units

The Partnership has designated three series of non-cumulative, non-voting, non-convertible Preferred Units that represent limited partnership interests in the Partnership consisting of the Series A Preferred Units, the Series A-1 Preferred Units, and the Series B Preferred Units. The Partnership previously issued Series A Preferred Units via a private placement to five financial institutions. In April 2022, the Partnership issued Series A-1 Preferred Units in exchange for previously issued Series A Preferred Units. These Series A-1 Preferred Units were issued in a registered offering pursuant to a registration statement on Form S-4, which was declared effective by the Securities and Exchange Commission (the "Commission") on July 6, 2021, and subsequently amended pursuant to a Post-Effective Amendment to the Form S-4, which was declared effective by the Commission on April 13, 2022. The Partnership had not issued any Series B Preferred Units as of September 30, 2022. The Preferred Units have no stated maturity, are not subject to any sinking fund requirements, and will remain outstanding indefinitely unless redeemed by the Partnership or by the holder.

Upon the sixth anniversary of the closing of the sale or issuance of Series A Preferred Units or Series A-1 Preferred Units to a subscriber, and upon each anniversary thereafter, the Partnership and each holder have the right to redeem, in whole or in part, the Series A Preferred Units or Series A-1 Preferred Units held by such holder at a per unit redemption price equal to \$10.00 per unit, plus an amount equal to all declared and unpaid distributions through the date of the redemption. Each holder desiring to exercise its redemption rights must provide written notice of its intent to so exercise no less than 180 calendar days prior to any such redemption date.

Upon the eighth anniversary of the closing of the sale or issuance of Series B Preferred Units to a subscriber, and upon each anniversary thereafter, the Partnership and each holder have the right to redeem, in whole or in part, the Series B Preferred Units held by such holder at a per unit redemption price equal to \$10.00 per unit, plus an amount equal to all declared and unpaid distributions through the date of the redemption. Each holder desiring to exercise its redemption rights must provide written notice of its intent to so exercise no less than 180 calendar days prior to any such redemption date.

In the event of any liquidation, dissolution, or winding up of the Partnership, the holders of the Series A Preferred Units, Series A-1 Preferred Units and Series B Preferred Units are entitled to a liquidation preference in connection with their investments. With respect to anticipated quarterly distributions and rights upon liquidation, dissolution, or the winding-up of the Partnership's affairs, the

Series A Preferred Units and Series A-1 Preferred Units will rank: (a) senior to the Partnership's BUCs, the Series B Preferred Units, and to any other class or series of Partnership interests or securities expressly designated as ranking junior to the Series A Preferred Units or Series A-1 Preferred Units; (b) junior to the Partnership's existing indebtedness (including indebtedness outstanding under the Partnership's senior bank credit facility) and other liabilities with respect to assets available to satisfy claims against the Partnership; and (c) junior to any other class or series of Partnership interests or securities expressly designated as ranking senior to the Series A Preferred Units or Series A-1 Preferred Units. The Series B Preferred Units will rank: (a) senior to the BUCs and to any other class or series of Partnership interests or securities that is not expressly designated as ranking senior or on parity with the Series B Preferred Units; (b) junior to the Series A Preferred Units and Series A-1 Preferred Units and to each other class or series of Partnership interests or securities with terms expressly made senior to the Series B Preferred Units; and (c) junior to all the Partnership's existing indebtedness (including indebtedness outstanding under the Partnership's senior bank credit facility) and other liabilities with respect to assets available to satisfy claims against the Partnership.

The following table summarizes the outstanding Preferred Units as of September 30, 2022 and December 31, 2021:

Month Issued	Units	Purchase Price	September 30, 2022 Distribution Rate	Redemption Price per Unit	Earliest Redemption Date
Series A Preferred Units					
March 2016	1,000,000	\$ 10,000,000	3.00 %	\$ 10.00	March 2024 ⁽¹⁾
September 2016	1,000,000	10,000,000	3.00 %	10.00	September 2023 ⁽²⁾
December 2016	700,000	7,000,000	3.00 %	10.00	December 2023 ⁽¹⁾
March 2017	1,000,000	10,000,000	3.00 %	10.00	March 2023
August 2017	2,000,000	20,000,000	3.00 %	10.00	August 2023
October 2017	1,750,000	17,500,000	3.00 %	10.00	October 2023
Total Series A Preferred Units	7,450,000	74,500,000			
Series A-1 Preferred Units					
April 2022	2,000,000	\$ 20,000,000	3.00 %	10.00	April 2028
Total Series A-1 Preferred Units	2,000,000	20,000,000			
Redeemable Preferred Units					
outstanding as of September 30, 2022	<u>9,450,000</u>	<u>\$ 94,500,000</u>			

(1) The holder did not provide a notice of its intent to redeem prior to the date 180 days before the most recent optional redemption date. Accordingly, the holder's next optional redemption date is on the next anniversary of the sale of the Series A Preferred Units.

(2) The holder did not provide a notice of its intent to redeem prior to the date 180 days before the most recent optional redemption date. In October 2022, the holder exchanged its Series A Preferred Units for newly issued Series A-1 Preferred Units. See Note 24 below for further information regarding this exchange, which occurred after quarter end.

Month Issued	Units	Purchase Price	December 31, 2021 Distribution Rate	Redemption Price per Unit
Series A Preferred Units				
March 2016	1,000,000	\$ 10,000,000	3.00 %	\$ 10.00
May 2016	1,386,900	13,869,000	3.00 %	10.00
September 2016	1,000,000	10,000,000	3.00 %	10.00
December 2016	700,000	7,000,000	3.00 %	10.00
March 2017	1,613,100	16,131,000	3.00 %	10.00
August 2017	2,000,000	20,000,000	3.00 %	10.00
October 2017	1,750,000	17,500,000	3.00 %	10.00
Redeemable Preferred Units outstanding as of December 31, 2021	<u>9,450,000</u>	<u>\$ 94,500,000</u>		

20. Restricted Unit Awards

The Partnership's Plan permits the grant of restricted units and other awards to the employees of Greystone Manager, the Partnership, or any affiliate of either, and members of the Board of Managers of Greystone Manager for up to 1.0 million BUCs. As of September 30, 2022, there were approximately 453,000 restricted units and other awards available for future issuance. The number of BUCs with respect to which awards may be granted under the Plan, the number of BUCs subject to outstanding awards granted under the Plan, and the grant price with respect to any such awards were retroactively adjusted to account for the Reverse Unit Split on a one-for-three basis. RUAs have historically been granted with vesting conditions ranging from three months to up to three years. Unvested RUAs are typically entitled to receive distributions during the restriction period. The Plan provides for accelerated vesting of the RUAs if there is a change in control related to the Partnership, the General Partner, or the general partner of the General Partner, or upon death or disability of the Plan participant.

The fair value of each RUA is estimated on the grant date based on the Partnership's exchange-listed closing price of the BUCs. The Partnership recognizes compensation expense for the RUAs on a straight-line basis over the requisite vesting period. The compensation expense for RUAs totaled approximately \$580,000 and \$571,000 for the three months ended September 30, 2022 and 2021, respectively. The compensation expense for RUAs totaled approximately \$920,000 and \$840,000 for the nine months ended September 30, 2022 and 2021, respectively. Compensation expense is reported within "General and administrative expenses" in the Partnership's condensed consolidated statements of operations.

The following table summarizes the RUA activity for the nine months ended September 30, 2022 and for the year ended December 31, 2021 (all amounts are presented giving effect to the 1-for-3 Reverse Unit Split which became effective on April 1, 2022):

	Restricted Units Awarded	Weighted average Grant-date Fair Value
Unvested as of January 1, 2021	44,271	\$ 14.94
Granted	88,775	19.47
Vested	(55,523)	17.67
Unvested as of December 31, 2021	77,523	18.18
Granted	91,813	19.43
Forfeited	(902)	18.48
Unvested as of September 30, 2022	<u>168,434</u>	<u>\$ 18.86</u>

The unrecognized compensation expense related to unvested RUAs granted under the Plan was approximately \$1,711,000 as of September 30, 2022. The remaining compensation expense is expected to be recognized over a weighted average period of 0.8 years. The total intrinsic value of unvested RUAs was approximately \$2.9 million as of September 30, 2022.

21. Transactions with Related Parties

The Partnership incurs costs for services and makes contractual payments to AFCA 2, AFCA 2's general partner, and their affiliates. The costs are reported either as expenses or capitalized costs depending on the nature of each item. The following table summarizes transactions with related parties that are reflected in the Partnership's condensed consolidated financial statements for the three and nine months ended September 30, 2022 and 2021:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Partnership administrative fees paid to AFCA 2 ⁽¹⁾	\$ 1,329,000	\$ 1,003,000	\$ 3,809,000	\$ 2,956,000
Reimbursable franchise margin taxes incurred on behalf of unconsolidated entities ⁽²⁾	139,000	117,000	314,000	144,000
Referral fees paid to an affiliate ⁽³⁾	-	9,750	108,000	9,750

⁽¹⁾ AFCA 2 is entitled to receive an administrative fee from the Partnership equal to 0.45% per annum of the outstanding principal balance of any of its MRBs, taxable MRBs, GILs, taxable GILs, property loans collateralized by real property, and other investments for which the owner of the financed property or other third party is not obligated to pay such administrative fee directly to AFCA 2. The disclosed amounts represent administrative fees paid or accrued during the periods specified and are reported within "General and administrative expenses" on the Partnership's condensed consolidated statements of operations.

⁽²⁾ The Partnership pays franchise margin taxes on revenues in Texas related to its investments in unconsolidated entities. Such taxes are paid by the Partnership as the unconsolidated entities are required by tax regulations to be included in the Partnership's group franchise tax return. Since the Partnership is reimbursed for the franchise margin taxes paid on behalf of the unconsolidated entities, these taxes are not reported on the Partnership's condensed consolidated statements of operations.

⁽³⁾ The Partnership has an agreement with an affiliate of Greystone, in which the Greystone affiliate is entitled to receive a referral fee up to 0.25% of the original principal amount of executed tax-exempt loan or tax-exempt bond transactions introduced to the Partnership by the Greystone affiliate. The term of the agreement ends December 31, 2022, unless the parties mutually agree to extend the term. The Partnership accounts for referral fees as loan origination costs that are deferred and amortized as a yield adjustment to the related investment asset.

AFCA 2 receives fees from the borrowers of the Partnership's MRBs, taxable MRBs, GILs, taxable GILs and certain property loans for services provided to the borrower and based on the occurrence of certain investment transactions. These fees were paid by the borrowers and are not reported in the Partnership's condensed consolidated financial statements. The following table summarizes transactions between borrowers and the Partnership's affiliates for the three and nine months ended September 30, 2022 and 2021:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Non-Partnership property administrative fees received by AFCA 2 ⁽¹⁾	\$ 9,000	\$ 8,000	\$ 26,000	\$ 26,000
Investment/mortgage placement fees earned by AFCA 2 ⁽²⁾	1,627,000	1,349,000	2,861,000	4,131,000

⁽¹⁾ AFCA 2 received administrative fees directly from the owners of certain properties financed by certain MRBs held by the Partnership. These administrative fees equal 0.45% per annum of the outstanding principal balance of the MRBs. The disclosed amounts represent administrative fees received by AFCA 2 during the periods specified.

⁽²⁾ AFCA 2 received placement fees in connection with the acquisition of certain MRBs, taxable MRBs, GILs, taxable GILs and property loans and investments in unconsolidated entities.

Greystone Servicing Company LLC, an affiliate of the Partnership, has forward committed to purchase 11 of the Partnership's GILs (Note 7), once certain conditions are met, at a price equal to the outstanding principal plus accrued interest. Greystone Servicing Company LLC is committed to then immediately sell the GILs to Freddie Mac pursuant to a financing commitment between Greystone Servicing Company LLC and Freddie Mac.

Greystone Select, an affiliate of the Partnership, has provided a deficiency guaranty of the Partnership's obligations under the Secured Credit Agreement (Note 14). The guaranty is enforceable if an event of default occurs, the administrative agent takes certain actions in relation to the collateral and the amounts due under the Secured Credit Agreement are not collected within a certain period of time after the commencement of such actions. No fees were paid to Greystone Select related to the deficiency guaranty agreement.

The Partnership reported receivables due from unconsolidated entities of approximately \$311,000 and \$149,000 as of September 30, 2022 and December 31, 2021, respectively. These amounts are reported within "Other assets" in the Partnership's condensed consolidated balance sheets. The Partnership had outstanding liabilities due to related parties totaling approximately \$977,000 and

\$417,000 as of September 30, 2022 and December 31, 2021, respectively. These amounts are reported within “Accounts payable, accrued expenses and other liabilities” in the Partnership’s condensed consolidated balance sheets.

22. Fair Value of Financial Instruments

Current accounting guidance on fair value measurements establishes a framework for measuring fair value and provides for expanded disclosures about fair value measurements. The guidance:

- Defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date; and
- Establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability on the measurement date.

Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. To increase consistency and comparability in fair value measurements and related disclosures, the fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The three levels of the hierarchy are defined as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs are unobservable inputs for assets or liabilities.

The categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for the assets and liabilities measured at fair value on a recurring basis.

Investments in MRBs, Taxable MRBs and Bond Purchase Commitments

The fair value of the Partnership’s investments in MRBs, taxable MRBs and bond purchase commitments as of September 30, 2022 and December 31, 2021, is based upon prices obtained from third-party pricing services, which are estimates of market prices. There is no active trading market for these securities, and price quotes for the securities are not available. The valuation methodology of the Partnership’s third-party pricing services incorporates commonly used market pricing methods. The valuation methodology considers the underlying characteristics of each security as well as other quantitative and qualitative characteristics including, but not limited to, market interest rates, illiquidity, legal structure of the borrower, collateral, seniority to other obligations, operating results of the underlying property, geographic location, and property quality. These characteristics are used to estimate an effective yield for each security. The security fair value is estimated using a discounted cash flow and yield to maturity or call analysis by applying the effective yield to contractual cash flows. Significant increases (decreases) in the effective yield would have resulted in a significantly lower (higher) fair value estimate. Changes in fair value due to an increase or decrease in the effective yield do not impact the Partnership’s cash flows.

The Partnership evaluates pricing data received from the third-party pricing services by evaluating consistency with information from either the third-party pricing services or public sources. The fair value estimates of the MRBs, taxable MRBs and bond purchase commitments are based largely on unobservable inputs believed to be used by market participants and requires the use of judgment on the part of the third-party pricing service and the Partnership. Due to the judgments involved, the fair value measurements of the Partnership’s investments in MRBs, taxable MRBs and bond purchase commitments are categorized as Level 3 assets.

The range of effective yields and weighted average effective yields of the Partnership's investments in MRBs, taxable MRBs and bond purchase commitments as of September 30, 2022 and December 31, 2021 are as follows:

Security Type	Range of Effective Yields		Weighted Average Effective Yields ⁽¹⁾	
	September 30, 2022	December 31, 2021	September 30, 2022	December 31, 2021
Mortgage revenue bonds	3.2% - 21.0%	0.9% - 19.1%	5.5 %	3.1 %
Taxable mortgage revenue bonds	6.1% - 11.2%	4.0% - 8.1%	6.8 %	5.9 %
Bond purchase commitments	5.2%	3.2% - 3.3%	5.2 %	3.2 %

⁽¹⁾Weighted by the total principal outstanding of all the respective securities as of the reporting date.

Derivative Financial Instruments

The effect of the Partnership's interest rate swap agreements is to change a variable rate debt obligation to a fixed rate for that portion of the debt equal to the notional amount of the agreement. The Partnership uses a third-party pricing service that incorporates commonly used market pricing methods. The fair value is based on a model that considers observable indices and observable market trades for similar arrangements and therefore the interest rate swaps are categorized as Level 2 assets or liabilities.

The effect of the Partnership's interest rate cap is to set a cap, or upper limit, subject to performance of the counterparty, on the base rate of interest paid on the Partnership's variable rate debt financings equal to the notional amount of the derivative agreement. The effect of the Partnership's interest rate swaps is to change a variable rate debt obligation to a fixed rate for that portion of the debt equal to the notional amount of the derivative agreement. The inputs in the interest rate cap and interest rate swap agreements valuation model include three-month LIBOR rates, unobservable adjustments to account for the SIFMA, as well as any recent interest rate cap trades with similar terms. The fair value is based on a model with inputs that are not observable and therefore the interest rate cap is categorized as a Level 3 asset.

The effect of the Partnership's total return swaps is to lower the net interest rate related to the Partnership's Secured Notes equal to the notional amount of the derivative instruments. The inputs in the total return swap valuation model include changes in the value of the Secured Notes and the associated changes in value of the underlying assets securing the Secured Notes, accrued and unpaid interest, and any potential gain share amounts. The fair value is based on a model with inputs that are not observable and therefore the total return swaps are categorized as Level 3 assets or liabilities.

Assets measured at fair value on a recurring basis as of September 30, 2022 are summarized as follows:

Description	Fair Value Measurements as of September 30, 2022			
	Assets and Liabilities at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets and Liabilities				
Mortgage revenue bonds, held in trust	\$ 675,905,519	\$ -	\$ -	\$ 675,905,519
Mortgage revenue bonds	19,163,911	-	-	19,163,911
Taxable mortgage revenue bonds (reported within other assets)	13,528,034	-	-	13,528,034
Derivative financial instruments (reported within other assets)	6,855,221	-	6,471,662	383,559
Bond purchase commitments (reported within other liabilities)	(82,911)	-	-	(82,911)
Total Assets and Liabilities at Fair Value, net	\$ 715,369,774	\$ -	\$ 6,471,662	\$ 708,898,112

The following tables summarize the activity related to Level 3 assets for the three and nine months ended September 30, 2022:

	For the Three Months Ended September 30, 2022				
	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Mortgage Revenue Bonds ⁽¹⁾	Bond Purchase Commitments	Taxable Mortgage Revenue Bonds	Derivative Financial Instruments	Total
Beginning Balance July 1, 2022	\$ 727,278,997	\$ 8,953	\$ 11,457,256	\$ 398,280	\$ 739,143,486
Total gains (losses) (realized/unrealized)					
Included in earnings (interest income and interest expense)	1,659,492	-	(4,860)	1,298,340	2,952,972
Included in other comprehensive income	(22,467,010)	(91,864)	(221,686)	-	(22,780,560)
Purchases	1,623,437	-	2,300,000	-	3,923,437
Settlements	(13,025,486)	-	(2,676)	(1,313,061)	(14,341,223)
Ending Balance September 30, 2022	<u>\$ 695,069,430</u>	<u>\$ (82,911)</u>	<u>\$ 13,528,034</u>	<u>\$ 383,559</u>	<u>\$ 708,898,112</u>
Total amount of gains (losses) for the period included in earnings attributable to the change in unrealized gains (losses) relating to assets or liabilities held on September 30, 2022	<u>\$ 17,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,509)</u>	<u>\$ 2,836</u>

⁽¹⁾Mortgage revenue bonds includes both bonds held in trust as well as those held by the Partnership.

	For the Nine Months Ended September 30, 2022				
	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Mortgage Revenue Bonds ⁽¹⁾	Bond Purchase Commitments	Taxable Mortgage Revenue Bonds	Derivative Financial Instruments	Total
Beginning Balance January 1, 2022	\$ 793,509,844	\$ 964,404	\$ 3,428,443	\$ 343,418	\$ 798,246,109
Total gains (losses) (realized/unrealized)					
Included in earnings (interest income and interest expense)	1,877,774	-	(14,932)	4,497,078	6,359,920
Included in other comprehensive income	(89,766,975)	(1,047,315)	(553,379)	-	(91,367,669)
Purchases	91,567,687	-	10,675,750	-	102,243,437
Settlements	(101,258,367)	-	(7,848)	(4,456,937)	(105,723,152)
Other ⁽²⁾	(860,533)	-	-	-	(860,533)
Ending Balance September 30, 2022	<u>\$ 695,069,430</u>	<u>\$ (82,911)</u>	<u>\$ 13,528,034</u>	<u>\$ 383,559</u>	<u>\$ 708,898,112</u>
Total amount of gains for the period included in earnings attributable to the change in unrealized gains relating to assets or liabilities held on September 30, 2022	<u>\$ 39,968</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,617</u>	<u>\$ 147,585</u>

⁽¹⁾Mortgage revenue bonds includes both bonds held in trust as well as those held by the Partnership.

⁽²⁾The other line is related to a re-allocation of the loan loss allowance upon restructuring of the Live 929 Apartments MRBs and property loan (Notes 6 and 10).

Assets measured at fair value on a recurring basis as of December 31, 2021 are summarized as follows:

Description	Assets at Fair Value	Fair Value Measurements as of December 31, 2021		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Mortgage revenue bonds, held in trust	\$ 750,934,848	\$ -	\$ -	\$ 750,934,848
Mortgage revenue bonds	42,574,996	-	-	42,574,996
Bond purchase commitments (reported within other assets)	964,404	-	-	964,404
Taxable mortgage revenue bonds (reported within other assets)	3,428,443	-	-	3,428,443
Derivative instruments (reported within other assets)	343,418	-	-	343,418
Total Assets at Fair Value, net	<u>\$ 798,246,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 798,246,109</u>

The following tables summarize the activity related to Level 3 assets and liabilities for the three and nine months ended September 30, 2021:

	For the Three Months Ended September 30, 2021				
	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Mortgage Revenue Bonds	Bond Purchase Commitments	Taxable Mortgage Revenue Bonds	Interest Rate Derivatives	Total
Beginning Balance July 1, 2021	\$ 777,990,096	\$ 392,515	\$ 1,462,862	\$ 321,372	\$ 780,166,845
Total gains (losses) (realized/unrealized)					
Included in earnings (interest income and interest expense)	34,331	-	-	1,751,136	1,785,467
Included in other comprehensive income	(4,561,683)	8,708	(24,463)	-	(4,577,438)
Purchases	3,995,000	-	1,000,000	-	4,995,000
Settlements	(33,819,427)	-	(2,445)	(1,760,707)	(35,582,579)
Ending Balance September 30, 2021	<u>\$ 743,638,317</u>	<u>\$ 401,223</u>	<u>\$ 2,435,954</u>	<u>\$ 311,801</u>	<u>\$ 746,787,295</u>
Total amount of losses for the period included in earnings attributable to the change in unrealized losses relating to assets or liabilities held on September 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,261)</u>	<u>\$ (9,261)</u>

(1) Mortgage revenue bonds includes both bonds held in trust as well as those held by the Partnership.

	For the Nine Months Ended September 30, 2021				
	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Mortgage Revenue Bonds	Bond Purchase Commitments	Taxable Mortgage Revenue Bonds	Interest Rate Derivatives	Total
Beginning Balance January 1, 2021	\$ 794,432,485	\$ 431,879	\$ 1,510,437	\$ 321,503	\$ 796,696,304
Total gains (losses) (realized/unrealized)					
Included in earnings (interest income and interest expense)	103,292	-	-	5,326,329	5,429,621
Included in earnings (provision for credit loss)	(900,080)	-	-	-	(900,080)
Included in other comprehensive income	(18,884,461)	(30,656)	(67,309)	-	(18,982,426)
Purchases	12,946,500	-	1,000,000	-	13,946,500
Settlements	(44,059,419)	-	(7,174)	(5,336,031)	(49,402,624)
Ending Balance September 30, 2021	<u>\$ 743,638,317</u>	<u>\$ 401,223</u>	<u>\$ 2,435,954</u>	<u>\$ 311,801</u>	<u>\$ 746,787,295</u>
Total amount of losses for the period included in earnings attributable to the change in unrealized losses relating to assets or liabilities held on September 30, 2021	<u>\$ (900,080)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,304)</u>	<u>\$ (911,384)</u>

(1) Mortgage revenue bonds includes both bonds held in trust as well as those held by the Partnership.

Total gains and losses included in earnings for the derivative financial instruments are reported within “Interest expense” in the Partnership’s condensed consolidated statements of operations.

As of September 30, 2022 and December 31, 2021, the Partnership utilized a third-party pricing service to determine the fair value of the Partnership’s GILs, taxable GILs, and construction financing property loans that share a first mortgage lien with the GILs, which is an estimate of their market price. The valuation methodology of the Partnership’s third-party pricing service incorporates commonly used market pricing methods. The valuation methodology considers the underlying characteristics of the GILs and property loans as well as other quantitative and qualitative characteristics including, but not limited to, the progress of construction and operations of the underlying properties, and the financial capacity of guarantors. The valuation methodology also considers the probability that conditions for the execution of forward commitments to purchase the GILs will be met. Due to the judgments involved, the fair value measurements of the Partnership’s GILs, taxable GIL, and construction financing property loans are categorized as Level 3 assets. The fair value of the GILs, taxable GIL, and construction financing property loans approximated amortized cost as of September 30, 2022 and December 31, 2021.

As of September 30, 2022 and December 31, 2021, the Partnership utilized a third-party pricing service to determine the fair value of the Partnership’s financial liabilities, which are estimates of market prices. The valuation methodology of the Partnership’s third-party pricing service incorporates commonly used market pricing methods. The valuation methodology considers the underlying characteristics of each financial liability as well as other quantitative and qualitative characteristics including, but not limited to, market interest rates, legal structure, seniority to other obligations, operating results of the underlying assets, and asset quality. The financial liability values are then estimated using a discounted cash flow and yield to maturity or call analysis.

The Partnership evaluates pricing data received from the third-party pricing service, including consideration of current market interest rates, quantitative and qualitative characteristics of the underlying collateral, and other information from either the third-party pricing service or public sources. The fair value estimates of these financial liabilities are based largely on unobservable inputs believed to be used by market participants and require the use of judgment on the part of the third-party pricing service and the Partnership. Due to the judgments involved, the fair value measurements of the Partnership’s financial liabilities are categorized as Level 3 liabilities. The TEBS financings are credit enhanced by Freddie Mac. The TOB trust financings are credit enhanced by either Mizuho or Barclays. The table below summarizes the fair value of the Partnership’s financial liabilities as of September 30, 2022 and December 31, 2021:

	September 30, 2022		December 31, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities:				
Debt financing	\$ 962,615,366	\$ 952,670,119	\$ 820,078,714	\$ 854,428,834
Secured lines of credit	30,942,000	30,942,000	45,714,000	45,714,000
Mortgages payable and other secured financing	26,230,855	26,231,893	26,824,543	26,825,840

23. Segments

As of September 30, 2022, the Partnership had four reportable segments: (1) Affordable Multifamily MRB Investments, (2) Seniors and Skilled Nursing MRB Investments, (3) MF Properties, and (4) Market-Rate Joint Venture Investments. The Partnership presented a fifth reportable segment, Public Housing Capital Fund Trusts, in its quarterly and annual filings during 2021 and prior. All activity in the Public Housing Capital Fund Trusts segment ceased with the sale of the Public Housing Capital Trust Fund investments in January 2020 and information is not presented for this segment as it had no operations during the periods presented. The Partnership separately reports its consolidation and elimination information because it does not allocate certain items to the segments.

Affordable Multifamily MRB Investments Segment

The Affordable Multifamily MRB Investments segment consists of the Partnership’s portfolio of MRBs, GILs, and related property loans that have been issued to provide construction and/or permanent financing for multifamily residential and commercial properties in their market areas. Such MRBs and GILs are held as investments, and the related property loans, net of loan loss allowances, are reported as such in the Partnership’s condensed consolidated balance sheets. As of September 30, 2022, the Partnership reported 73 MRBs and 13 GILs in this segment. As of September 30, 2022, the multifamily residential properties securing the MRBs and GILs contain a total of 10,337 and 2,419 multifamily rental units, respectively. In addition, one MRB (Provision Center 2014-1) is collateralized by commercial real estate. All “General and administrative expenses” on the Partnership’s condensed consolidated statements of operations are reported within this segment.

Seniors and Skilled Nursing MRB Investments Segment

The Seniors and Skilled Nursing MRB Investments segment consists of an MRB and a property loan that have been issued to provide acquisition, construction and/or permanent financing for seniors housing and skilled nursing properties. The property loan was redeemed in September 2022. Seniors housing consists of a combination of the independent living, assisted living and memory care units. As of September 30, 2022, the property securing the MRB contains a total of 154 seniors housing units.

Market-Rate Joint Venture Investments Segment

The Market-Rate Joint Venture Investments segment consists of the operations of ATAX Vantage Holdings, LLC, which makes noncontrolling equity investments in unconsolidated entities for the construction, stabilization, and ultimate sale of market-rate multifamily properties (Note 9). The Market-Rate Joint Venture Investments segment also includes the consolidated VIE of Vantage at San Marcos (Note 5).

MF Properties Segment

The MF Properties segment consists primarily of multifamily and student housing residential properties held by the Partnership (Note 8). During the time the Partnership holds an interest in an MF Property, any excess cash flow will be available for distribution to the Partnership. As of September 30, 2022, the Partnership owned two MF Properties containing a total of 859 rental units. Income tax expense for the Greens Hold Co is reported within this segment.

The following table details certain financial information for the Partnership's reportable segments for the three and nine months ended September 30, 2022 and 2021:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Total revenues				
Affordable Multifamily MRB Investments	\$ 18,423,127	\$ 12,795,214	\$ 45,443,505	\$ 34,624,484
Seniors and Skilled Nursing MRB Investments	194,296	-	664,579	-
Market-Rate Joint Venture Investments	2,072,781	3,074,909	7,149,916	8,556,926
MF Properties	1,914,200	1,811,778	5,785,742	5,294,475
Total revenues	<u>\$ 22,604,404</u>	<u>\$ 17,681,901</u>	<u>\$ 59,043,742</u>	<u>\$ 48,475,885</u>
Interest expense				
Affordable Multifamily MRB Investments	\$ 7,530,723	\$ 5,186,465	\$ 17,309,510	\$ 15,166,356
Seniors and Skilled Nursing MRB Investments	5,750	-	5,750	-
Market-Rate Joint Venture Investments	226,247	193,876	619,928	234,375
MF Properties	273,262	283,111	814,891	847,292
Total interest expense	<u>\$ 8,035,982</u>	<u>\$ 5,663,452</u>	<u>\$ 18,750,079</u>	<u>\$ 16,248,023</u>
Depreciation expense				
Affordable Multifamily MRB Investments	\$ 5,962	\$ 5,912	\$ 17,885	\$ 17,534
Seniors and Skilled Nursing MRB Investments	-	-	-	-
Market-Rate Joint Venture Investments	-	-	-	-
MF Properties	682,526	675,013	2,038,627	2,031,735
Total depreciation expense	<u>\$ 688,488</u>	<u>\$ 680,925</u>	<u>\$ 2,056,512</u>	<u>\$ 2,049,269</u>
Net income (loss)				
Affordable Multifamily MRB Investments	\$ 6,375,471	\$ 3,453,537	\$ 16,099,041	\$ 7,293,774
Seniors and Skilled Nursing MRB Investments	187,921	-	656,954	-
Market-Rate Joint Venture Investments	12,423,255	9,836,133	46,185,380	23,546,743
MF Properties	(470,054)	(301,286)	(554,083)	(594,599)
Net income	<u>\$ 18,516,593</u>	<u>\$ 12,988,384</u>	<u>\$ 62,387,292</u>	<u>\$ 30,245,918</u>

The following table details total assets for the Partnership's reportable segments as of September 30, 2022 and December 31, 2021:

	September 30, 2022	December 31, 2021
Total assets		
Affordable Multifamily MRB Investments	\$ 1,388,462,019	\$ 1,304,626,248
Seniors and Skilled Nursing MRB Investments	(903,056)	13,533,020
Market-Rate Joint Venture Investments	107,181,273	112,052,513
MF Properties	61,772,595	66,501,994
Consolidation/eliminations	(106,425,836)	(110,804,292)
Total assets	<u>\$ 1,450,086,995</u>	<u>\$ 1,385,909,483</u>

24. Subsequent Events

In October 2022, the Partnership issued 1,000,000 Series A-1 Preferred Units to a financial institution in exchange for 1,000,000 outstanding Series A Preferred Units held by that institution. There were no net proceeds to the Partnership as a result of the exchange transaction. These Series A-1 Preferred Units were issued in a registered offering pursuant to a registration statement on Form S-4, which was declared effective by the Commission on July 6, 2021, and subsequently amended pursuant to a Post-Effective Amendment to the Form S-4, which was declared effective by the Commission on April 13, 2022.

In October 2022, the Partnership entered into three TOB Trust financing arrangements with Barclays to securitize the Poppy Grove I, Poppy Grove II and Poppy Grove III GILs. The TOB Trust financings allow for additional borrowings as the Partnership makes additional advances for the related funding commitments. The following table summarizes the initial terms of the TOB Trust financings:

TOB Trusts Securitization	TOB Trust Financing	Stated Maturity	Reset Frequency	SIFMA Based Rates	Facility Fees	Interest Rate
Poppy Grove I	\$ 5,397,000	October 2023	Weekly	2.60%	1.25%	3.85%
Poppy Grove II	2,833,000	October 2023	Weekly	2.60%	1.25%	3.85%
Poppy Grove III	5,880,000	October 2023	Weekly	2.60%	1.25%	3.85%
Total TOB Trust Financing	<u>\$ 14,110,000</u>					

In October 2022, the Partnership deposited the Poppy Grove I, Poppy Grove II, and Poppy Grove III taxable GILs into the existing Trust 2021-XF2953 TOB trust financing and received additional debt financing proceeds of approximately \$2.4 million, which were used to repay principal on the Acquisition LOC.

In October 2022, the Partnership entered into an interest rate swap agreement to mitigate interest rate risk associated with the Poppy Grove I, Poppy Grove II, and Poppy Grove III variable rate TOB trust financings. The Partnership is required to post collateral equal to 1% of the maximum notional amount of the interest rate swap. The Partnership posted collateral of approximately \$1.0 million upon closing of the interest rate swap agreement. No fees were paid upon closing of the interest rate swaps. The following table summarizes the terms of the interest rate swap agreement:

Trade Date	Initial Notional Amount ⁽¹⁾	Effective Date	Termination Date	Fixed Rate Paid	Variable Rate Index Received	Variable Debt Financing Hedged	Counterparty
October 2022	34,436,088	4/1/2023	4/1/2025	3.92 %	SOFR	TOB Trusts	Mizuho Capital Markets

⁽¹⁾The notional amount increases according to a schedule in accordance with the terms of the interest rate swap agreement up to a maximum notional amount of \$99.6 million.

In October 2022, the Gateway Village and Lynnhaven Apartments MRBs were redeemed at prices equal to outstanding principal plus accrued interest.

In October 2022, the Partnership executed a \$16.0 million equity commitment to fund construction of the Freestone at Greeley, 306-unit market-rate multifamily property in Greeley, CO.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

In this Management’s Discussion and Analysis, all references to “we,” “us,” and the “Partnership” refer to America First Multifamily Investors, L.P., its consolidated subsidiaries, and consolidated VIEs for all periods presented. See Note 2 and Note 5 to the Partnership’s condensed consolidated financial statements for further disclosure. All BUC and per BUC numbers reflect the 1-for-3 Reverse Unit Split effected on April 1, 2022 and the BUCs Distribution completed on October 31, 2022 on a retrospective basis.

Critical Accounting Policies and Estimates

The Partnership’s critical accounting policies and estimates are the same as those described in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2021. The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the Partnership’s condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. The most significant estimates and assumptions include those used in determining (i) the fair value of MRBs; (ii) investment impairments; (iii) impairment of real estate assets; and (iv) loan loss allowances.

Partnership Summary

The Partnership was formed in 1998 primarily for the purpose of acquiring a portfolio of mortgage revenue bonds (“MRBs”) that are issued by state and local housing authorities to provide construction and/or permanent financing for affordable multifamily and commercial properties. We also invest in governmental issuer loans (“GILs”), which are similar to MRBs, to provide construction financing for affordable multifamily properties. We expect and believe the interest received on these MRBs and GILs is excludable from gross income for federal income tax purposes. We may also invest in other types of securities and investments that may or may not be secured by real estate to the extent allowed by the Partnership Agreement.

We also make noncontrolling equity investments in unconsolidated entities for the construction, stabilization, and ultimate sale of market-rate multifamily properties. The Partnership is entitled to distributions if, and when, cash is available for distribution either through operations, a refinance or sale of the property. In addition, the Partnership may acquire and hold interests in multifamily, student and senior citizen residential properties (“MF Properties”) until their “highest and best use” can be determined by management.

The Partnership includes the assets, liabilities, and results of operations of the Partnership, our wholly owned subsidiaries and consolidated VIEs. All significant transactions and accounts between us and the consolidated VIEs have been eliminated in consolidation. See Note 2 to the Partnership’s condensed consolidated financial statements for additional details.

As of September 30, 2022, we have four reportable segments: (1) Affordable Multifamily MRB Investments, (2) Seniors and Skilled Nursing MRB Investments, (3) Market-Rate Joint Venture Investments and (4) MF Properties. The Partnership presented a fifth reportable segment, Public Housing Capital Fund Trusts, in its quarterly and annual filings during 2021 and prior. All activity in the Public Housing Capital Fund Trusts segment ceased with the sale of the Public Housing Capital Trust Fund investments in January 2020 and information is not presented for this segment as it had no operations during the periods presented. The Partnership separately reports its consolidation and elimination information because it does not allocate certain items to the segments. All “General and administrative expenses” on the Partnership’s condensed consolidated statements of operations are reported within the Affordable Multifamily MRB Investments segment. See Notes 2 and 23 to the Partnership’s condensed consolidated financial statements for additional details. The following table presents summary information regarding activity of our segments for the three and nine months ended September 30, 2022 and 2021 (dollar amounts in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2022	Percentage of Total	2021	Percentage of Total	2022	Percentage of Total	2021	Percentage of Total
Total revenues								
Affordable Multifamily MRB Investments	\$ 18,423	81.5 %	\$ 12,795	72.4 %	\$ 45,444	77.0 %	\$ 34,624	71.4 %
Seniors and Skilled Nursing MRB Investments	194	0.9 %	-	0.0 %	665	1.1 %	-	0.0 %
Market-Rate Joint Venture Investments	2,073	9.2 %	3,075	17.4 %	7,150	12.1 %	8,557	17.7 %
MF Properties	1,914	8.5 %	1,812	10.2 %	5,786	9.8 %	5,294	10.9 %
Total revenues	<u>\$ 22,604</u>		<u>\$ 17,682</u>		<u>\$ 59,045</u>		<u>\$ 48,475</u>	
Net income (loss)								
Affordable Multifamily MRB Investments	\$ 6,375	34.4 %	\$ 3,454	26.6 %	\$ 16,099	25.8 %	\$ 7,294	24.1 %
Seniors and Skilled Nursing MRB Investments	188	1.0 %	-	0.0 %	657	1.1 %	-	0.0 %
Market-Rate Joint Venture Investments	12,423	67.1 %	9,836	75.7 %	46,185	74.0 %	23,547	77.9 %
MF Properties	(470)	-2.5 %	(301)	-2.3 %	(554)	-0.9 %	(595)	-2.0 %
Net income	<u>\$ 18,516</u>		<u>\$ 12,989</u>		<u>\$ 62,387</u>		<u>\$ 30,246</u>	

Corporate Responsibility

The Partnership is committed to corporate responsibility and the importance of developing environmental, social and governance (“ESG”) policies and practices consistent with that commitment. We believe the implementation and maintenance of such policies and practices benefit the employees that serve the Partnership, support long-term performance for our Unitholders, and have a positive impact on society and the environment.

Environmental Responsibility

Achieving environmental and sustainability goals in connection with our affordable housing investment activity is important to us. Opportunities for positive environmental investments are open to us because private activity bond volume cap and LIHTC allocations are key components of the capital structure for most new construction or acquisition/rehabilitation affordable housing properties financed by our MRB and GIL investments. These resources are allocated by individual states to our property sponsors through a competitive application process under a state-specific qualified allocation plan (“QAP”) as required under Section 42 of the IRC. Each state implements its public policy objectives through an application scoring or ranking system that rewards certain property features. Some of the common features rewarded under individual state QAPs are transit amenities (proximity to various forms of public transportation), proximity to public services (parks, libraries, full scale supermarkets, or a senior center), and energy efficiency/sustainability. Some state-specific QAPs have minimum energy efficiency standards that must be met, such as the use of low water need landscaping, Energy Star appliances and hot water heaters, and GREENGUARD Gold certified insulation. Since we can only finance properties with successful applications, we work with our sponsor clients to maximize these environmental features such that their applications can earn the most points possible under the individual state’s QAP. During 2022, properties related to our MRB investments in Residency at the Entrepreneur and our GIL investment in Magnolia Heights, Poppy Grove I, Poppy Grove II, and Poppy Grove III were awarded both private activity bond cap and LIHTC allocations through state-specific QAPs.

The Suites on Paseo MF Property, which is wholly owned by the Partnership, is LEED Silver Certified. LEED provides a framework for healthy, efficient, carbon and cost-saving green buildings. To achieve LEED certification, a property earns points by adhering to prerequisites and credits that address carbon, energy, water, waste, transportation, materials, health and indoor environmental quality. In addition, the property has three rooftop solar panels arrays to generate renewable energy for the local power system. Two of the arrays are owned by the local utility provider on roof space leased by the property and the third array is owned by the property.

We are committed to minimizing the overall environmental impact of our corporate operations. As only 14 employees of Greystone Manager are responsible for the Partnership’s operations, we have a relatively modest environmental impact and have adequate facilities to grow our employee base without acquiring additional physical space.

Social Responsibility

Our investments in MRBs and GILs directly support the construction, rehabilitation, and stabilized operation of decent, safe, and sanitary affordable multifamily housing across the United States. As of September 30, 2022, our debt investments secured by affordable housing properties totaled \$1.1 billion of principal and support a total of 12,756 rental units in 16 states. Each of the properties securing our MRB and GIL investments is required to maintain a minimum percentage of units set-aside for low-income tenants in accordance with IRC guidelines, and the owners of the properties often agree to exceed the minimum IRC requirements. The rent charged to low-income tenants at MRB or GIL properties is often restricted to a certain percentage of the tenants' income, making them more affordable. For any newly originated MRBs or GILs associated with a low-income housing tax credit property, restrictions regarding tenant incomes and rents charged to those low-income households are required. In addition, certain borrowers related to our MRB investments are non-profit entities that provide affordable multifamily housing consistent with their charitable purposes. These properties provide valuable support to both low-income and market-rate tenants and create housing diversity in the geographic and social communities in which they are located.

Certain investments may be eligible for regulatory credit under the Community Reinvestment Act of 1977 ("CRA") to help meet the credit needs of the communities in which they exist, including low- and moderate-income (LMI) neighborhoods. See "Community Investments" in this Item 2 below for further information regarding assets of the Partnership the General Partner believes are eligible for regulatory credit under the CRA.

Corporate Governance

Greystone Manager, as the general partner of the Partnership's general partner, is committed to corporate governance that aligns with the interests of our Unitholders and stakeholders. The Board of Managers of Greystone Manager brings a diverse set of skills and experiences across industries in the public, private and not-for-profit sectors. The composition of the Greystone Manager Board of Managers complies with NASDAQ listing rules and SEC rules applicable to the Partnership. All the members of the Audit Committee of Greystone Manager are independent under the applicable SEC and NASDAQ independence requirements, two of whom qualify as "audit committee financial experts." Of the seven Managers of Greystone Manager, two Managers are female.

Recent Developments

Recent Investment Activity

The following table presents information regarding the investment activity of the Partnership for the nine months ended September 30, 2022 and 2021:

Investment Activity	#	Amount (in 000's)	Retired Debt (in 000's)	Tier 2 income allocable to the General Partner (in 000's) ⁽¹⁾	Notes to the Partnership's condensed consolidated financial statements
For the Three Months Ended September 30, 2022					
Mortgage revenue bond advance	1	\$ 1,623	N/A	N/A	6
Mortgage revenue bond redemption and paydown	2	11,577	\$ 10,420	N/A	6
Governmental issuer loan acquisition and advances	7	39,820	N/A	N/A	7
Investments in unconsolidated entities	2	2,524	N/A	N/A	9
Return of investment in unconsolidated entity upon sale	1	7,400	N/A	\$ -	9
Property loan acquisitions and advances	6	22,742	N/A	N/A	10
Property loan redemptions	3	27,081	N/A	N/A	10
Taxable mortgage revenue bond advance	1	2,300	N/A	N/A	12
Taxable governmental issuer loan acquisitions	3	3,000	N/A	N/A	12
For the Three Months Ended June 30, 2022					
Mortgage revenue bond acquisitions and advances	3	\$ 20,307	N/A	N/A	6
Mortgage revenue bond redemption	1	7,100	\$ 7,100	N/A	6
Governmental issuer loan acquisition and advances	5	39,806	N/A	N/A	7
Investments in unconsolidated entities	4	7,824	N/A	N/A	9
Return of investment in unconsolidated entity upon sale	1	7,341	N/A	\$ 260	9
Property loan acquisitions and advances	7	23,527	N/A	N/A	10
Taxable mortgage revenue bond acquisition and advance	2	2,000	N/A	N/A	12
For the Three Months Ended March 31, 2022					
Mortgage revenue bond acquisitions and advances	3	\$ 69,365	N/A	N/A	6
Mortgage revenue bond redemptions	4	70,479	\$ 45,109	N/A	6
Governmental issuer loan advances	6	16,882	N/A	N/A	7
Investments in unconsolidated entities	5	12,777	N/A	N/A	9
Return of investment in unconsolidated entity upon sale	1	12,240	N/A	\$ 2,646	9
Property loan advances	5	38,412	N/A	N/A	10
Property loan redemptions and principal paydowns	7	3,251	N/A	N/A	10
Taxable mortgage revenue bond acquisition and advance	2	6,325	N/A	N/A	12
For the Three Months Ended September 30, 2021					
Mortgage revenue bond advances	2	\$ 3,995	N/A	N/A	6
Mortgage revenue bond redemptions	4	32,380	\$ 25,690	\$ 462	6
Governmental issuer loan advances	6	35,582	N/A	N/A	7
Investments in unconsolidated entities	3	6,112	N/A	N/A	9
Return of investment in unconsolidated entity upon sale	1	8,600	N/A	73	9
Property loan advances	4	14,420	N/A	N/A	10
Taxable mortgage revenue bond advance	1	1,000	N/A	N/A	12
For the Three Months Ended June 30, 2021					
Mortgage revenue bond acquisition and advance	2	\$ 6,880	N/A	N/A	6
Governmental issuer loan advances	5	26,474	N/A	N/A	7
Land acquisition for future development	1	1,054	N/A	N/A	8
Investments in unconsolidated entities	2	11,641	N/A	N/A	9
Return of investment in unconsolidated entity upon sale	1	10,736	N/A	\$ 1,366	9
Property loan advances	2	1,859	N/A	N/A	10
For the Three Months Ended March 31, 2021					
Mortgage revenue bond advance	1	\$ 2,072	N/A	N/A	6
Mortgage revenue bond redemptions	2	7,385	N/A	N/A	6
Governmental issuer loan advances	6	39,068	N/A	N/A	7
Investment in unconsolidated entity	1	1,426	N/A	N/A	9
Return of investment in unconsolidated entity upon sale	1	10,425	N/A	\$ 702	9
Property loan advances	3	3,000	N/A	N/A	10
Taxable governmental issuer loan advance	1	1,000	N/A	N/A	12

(1) See "Cash Available for Distribution" in this Item 2 below.

Recent Financing Activity

The following table presents information regarding the debt financing, derivatives, Preferred Units and partners' capital activities of the Partnership for the nine months ended September 30, 2022 and 2021, exclusive of retired debt amounts listed in the investment activity table above:

Financing, Derivative and Capital Activity	#	Amount (in 000's)	Secured	Notes to the Partnership's condensed consolidated financial statements
For the Three Months Ended September 30, 2022				
Net repayment on Acquisition LOC	4	\$ 8,512	Yes	14
Proceeds from TOB trust financings with Mizuho	4	24,930	Yes	15
Proceeds from TOB trust financing with Barclays	1	20,215	Yes	15
For the Three Months Ended June 30, 2022				
Net borrowing on Acquisition LOC	5	\$ 9,255	Yes	14
Proceeds from TOB trust financings with Mizuho	7	51,045	Yes	15
Proceeds from TOB trust financing with Barclays	1	11,875	Yes	15
Repayment of TOB Financings with Mizuho	2	5,079	Yes	15
Exchange of Series A Preferred Units for Series A-1 Preferred Units	1	20,000	N/A	19
For the Three Months Ended March 31, 2022				
Net repayment on Acquisition LOC	1	\$ 15,515	Yes	14
Proceeds from TOB trust financings with Mizuho	8	108,530	Yes	15
Proceeds from TOB trust financing with Barclays	1	800	Yes	15
Unrestricted cash from total return swap	1	41,275	Yes	17
Interest rate swaps purchased	2	-	N/A	17
For the Three Months Ended September 30, 2021				
Proceeds from TOB financings with Mizuho	7	\$ 46,223	Yes	15
Proceeds on issuance of BUCs, net of issuance costs	1	31,243	N/A	N/A
For the Three Months Ended June 30, 2021				
Net borrowing on secured LOC	1	\$ 6,500	Yes	14
Proceeds from TOB financings with Mizuho	5	30,983	Yes	15
Termination of unsecured operating LOC	1	-	No	N/A
For the Three Months Ended March 31, 2021				
Net repayment on unsecured LOCs	5	\$ 7,475	No	N/A
Proceeds from TOB trust financings with Mizuho	5	39,594	Yes	15

Affordable Multifamily MRB Investments Segment

The Partnership's primary purpose is to acquire and hold as investments a portfolio of MRBs which have been issued to provide construction and/or permanent financing for Residential Properties and commercial properties in their market areas. The Partnership has also invested in GILs, a taxable GIL and property loans which are included within this segment. All "General and administrative expenses" on the Partnership's condensed consolidated statements of operations are reported within this segment.

The following table compares operating results for the Affordable Multifamily MRB Investments segment for the periods indicated (dollar amounts in thousands):

Affordable Multifamily MRB Investments	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change
Total revenues	\$ 18,423	\$ 12,795	\$ 5,628	44.0 %	\$ 45,444	\$ 34,624	\$ 10,820	31.3 %
Interest expense	7,531	5,186	2,345	45.2 %	17,310	15,166	2,144	14.1 %
Segment net income	6,375	3,454	2,921	84.6 %	16,099	7,294	8,805	120.7 %

Comparison of the three months ended September 30, 2022 and 2021

Total revenues increased for the three months ended September 30, 2022 as compared to the same period in 2021 primarily due to:

- An increase of approximately \$1.7 million in other interest income for payments received on redemption of the Cross Creek property loans that were previously in nonaccrual status;
- An increase of approximately \$1.5 million in interest income due to discount accretion on the Cross Creek MRB upon redemption at par in September 2022;
- An increase of approximately \$1.9 million in interest income from higher GIL investment balances and higher average interest rates;
- An increase of approximately \$1.4 million of other interest income due to additional property loan, taxable MRB and taxable GIL investments and higher average interest rates;
- An increase of approximately \$473,000 of other interest income due to increasing interest earned on cash balances;
- An increase of approximately \$1.7 million in interest income from recent MRB acquisitions, offset by a decrease of approximately \$1.1 million in interest income from MRB investments due to redemptions and principal paydowns; and
- A decrease of approximately \$1.8 million in contingent interest income recognized in July 2021 upon the redemption of the Rosewood Townhomes – Series A and South Pointe Apartments – Series A MRBs.

Interest expense increased for the three months ended September 30, 2022 as compared to the same period in 2021 primarily due to:

- An increase of approximately \$3.5 million due to higher average interest rates on variable-rate debt financing;
- An increase of approximately \$1.0 million due to an increase in the average outstanding principal of approximately \$231.4 million;
- An increase of approximately \$608,000 in amortization of deferred financing costs including approximately \$510,000 of unamortized deferred financing costs that were recognized as interest expense upon the collapse of a TOB in September 2022; and
- A decrease of approximately \$2.8 million due to an increase in the fair market value of interest rate derivative instruments attributable to rising market interest rates.

Segment net income increased for the three months ended September 30, 2022 as compared to the same period in 2021 due to:

- The changes in total revenue and total interest expense detailed in the tables below; and
- An increase in general and administrative expenses due to an increase of approximately \$326,000 in administration fees paid to AFCA2 due to greater assets under management.

The following table summarizes the segment's net interest income, average balances, and related yields earned on interest-earning assets and incurred on interest-bearing liabilities, as well as other income included in total revenues for the three months ended September 30, 2022 and 2021. The average balances are based primarily on monthly averages during the respective periods. All dollar amounts are in thousands.

	For the Three Months Ended September 30,					
	2022			2021		
	Average Balance	Interest Income/Expense	Average Rates Earned/Paid	Average Balance	Interest Income/Expense	Average Rates Earned/Paid
Interest-earning assets:						
Mortgage revenue bonds	\$ 688,308	\$ 11,350	6.6 % ⁽¹⁾	\$ 646,288	\$ 9,297	5.8 %
Governmental issuer loans	256,984	3,134	4.9 %	147,950	1,248	3.4 %
Property loans	122,755	3,218	10.5 % ⁽²⁾	24,672	302	4.9 %
Other investments	14,710	218	5.9 %	3,450	69	8.0 %
Total interest-earning assets	\$ 1,082,757	\$ 17,920	6.6 %	\$ 822,360	\$ 10,916	5.3 %
Contingent interest income		-			1,849	
Non-investment income		503			30	
Total revenues		\$ 18,423			\$ 12,795	
Interest-bearing liabilities:						
Lines of credit	\$ 22,759	\$ 249	4.4 %	\$ -	\$ 19	N/A
Fixed TEBS financing	256,981	2,539	4.0 %	286,371	2,776	3.9 %
Variable TEBS financing	76,139	561	2.9 %	77,498	266	1.4 %
Variable Secured Notes ⁽³⁾	102,838	1,685	6.6 %	103,216	594	2.3 %
Fixed Term TOB financing	12,883	64	2.0 %	12,979	64	2.0 %
Variable TOB financing	508,637	4,317	3.4 %	268,799	1,198	1.8 %
Amortization of deferred finance costs	N/A	868	N/A	N/A	260	N/A
Derivative fair value adjustments	N/A	(2,752)	N/A	N/A	9	N/A
Total interest-bearing liabilities	\$ 980,237	\$ 7,531	3.1 %	\$ 748,863	\$ 5,186	2.8 %
Net interest income/spread ⁽⁴⁾		\$ 10,389	3.8 %		\$ 5,730	2.8 %

(1) Interest income includes \$1.5 million of discount accretion on the Cross Creek MRB upon redemption at par in the third quarter of 2022. Excluding this item, the average interest rate was 5.7%.

(2) Interest income includes \$1.7 million for payments received in the third quarter on Cross Creek property loans that were previously in nonaccrual status. Excluding this item, the average interest rate was 4.9%.

(3) Interest expense is reported net of income/loss on the Partnership's total return swap agreements.

(4) Net interest income equals the difference between total interest income from interest-earning assets minus total interest expense from interest-bearing assets. Net interest spread equals annualized net interest income divided by the average interest-bearing assets during the period.

The following table summarizes the changes in interest income and interest expense for the three months ended September 30, 2022 and 2021, and the extent to which these variances are attributable to 1) changes in the volume of interest-earning assets and interest-bearing liabilities, or 2) changes in the interest rates of the interest-earning assets and interest-bearing liabilities. All dollar amounts are in thousands.

	For the Three Months Ended September 30, 2022 vs. 2021		
	Total Change	Volume \$ Change	Rate \$ Change
Interest-earning assets:			
Mortgage revenue bonds		604	(1)
	\$ 2,053	\$	\$ 1,449
Governmental issuer loans	1,886	920	966
Property loans	2,916	1,201	1,715 (2)
Other investments	149	225	(76)
Total interest-earning assets	\$ 7,004	\$ 2,950	\$ 4,054
Interest-bearing liabilities:			
Lines of credit	\$ 230	230	-
Fixed TEBS financing	(237)	(285)	48
Variable TEBS financing	295	(5)	300
Variable Secured Notes (3)	1,091	(2)	1,093
Fixed Term TOB financing	-	-	-
Variable TOB financing	3,119	1,069	2,050
Amortization of deferred finance costs	608 (4)	N/A	608
Derivative fair value adjustments	(2,761)	N/A	(2,761)
Total interest-bearing liabilities	\$ 2,345	\$ 1,007	\$ 1,338
Net interest income	\$ <u>4,659</u>	\$ <u>1,943</u>	\$ <u>2,716</u>

(1) The average change attributable to rate includes \$1.5 million of discount accretion on the Cross Creek MRB upon redemption at par in the third quarter of 2022.

(2) The average change attributable to rate includes \$1.7 million for payments received on the Cross Creek property loans that were previously in nonaccrual.

(3) Interest expense is reported net of income/loss on the Partnership's total return swap agreements.

(4) Due to approximately \$510,000 of unamortized deferred financing costs that were recognized as interest expense upon the collapse of a TOB in September 2022.

Comparison of the nine months ended September 30, 2022 and 2021

Total revenues increased for the nine months ended September 30, 2022 as compared to the same period in 2021 primarily due to:

- An increase of approximately \$3.3 million in other interest income for payments received on redemption of the Ohio Properties, Live 929 Apartments, and Cross Creek property loans in 2022 that were previously in nonaccrual status;
- An increase of approximately \$1.5 million in interest income due to discount accretion on the Cross Creek MRB upon redemption at par in September 2022;
- An increase of approximately \$3.9 million in interest income from higher GIL investment balances and higher average interest rates;
- An increase of approximately \$2.9 million in other interest income due to additional property loan, taxable MRB and taxable GIL investments and higher average interest rates;
- An increase of approximately \$565,000 of other interest income due to increasing interest earned on cash balances;
- An increase of approximately \$4.3 million in interest income from recent MRB acquisitions, offset by a decrease of approximately \$3.7 million in interest income from MRB investments due to redemptions and principal paydowns; and
- A decrease of approximately \$1.8 million in contingent interest income recognized in July 2021 upon the redemption of the Rosewood Townhomes – Series A and South Pointe Apartments – Series A MRBs.

Interest expense increased for the nine months ended September 30, 2022 as compared to the same period in 2021 primarily due to:

- An increase of approximately \$2.6 million due to an increase in the average outstanding principal of approximately \$206.8 million;
- An increase of approximately \$5.2 million due to higher average interest rates on variable-rate and fixed-rate debt financing;

- An increase of approximately \$891,000 in amortization of deferred financing costs including approximately \$510,000 of unamortized deferred financing costs that were recognized as interest expense upon the collapse of a TOB in September 2022; and
- A decrease of approximately \$6.5 million due to an increase in the fair market value of interest rate derivative instruments attributable to rising market interest rates.

Segment net income increased for the nine months ended September 30, 2022 as compared to the same period in 2021 due to:

- The changes in total revenue and total interest expense detailed in the tables below;
- A decrease in the provision for credit loss of approximately \$900,000 related to the Provision Center 2014-1 MRB in 2021;
- A decrease in the provision for loan loss of approximately \$330,000 related to the Live 929 Apartments property loan in 2021; and
- An increase in general and administrative expenses related to increases of approximately \$853,000 in administration fees paid to AFCA2 due to greater assets under management, approximately \$108,000 related to increased insurance premiums, and approximately \$94,000 related to increased travel expenses.

The following table summarizes the segment's net interest income, average balances, and related yields earned on interest-earning assets and incurred on interest-bearing liabilities, as well as other income included in total revenues for the nine months ended September 30, 2022 and 2021. The average balances are based primarily on monthly averages during the respective periods. All dollar amounts are in thousands.

	For the Nine Months Ended September 30,					
	2022		2021			
	Average Balance	Interest Income/Expense	Average Rates Earned/Paid	Average Balance	Interest Income/Expense	Average Rates Earned/Paid
Interest-earning assets:						
Mortgage revenue bonds	\$ 689,745	\$ 30,813	6.0 % ⁽¹⁾	\$ 659,006	\$ 28,788	5.8 %
Governmental issuer loans	223,362	6,820	4.1 %	118,217	2,961	3.3 %
Property loans	99,306	6,679	9.0 % ⁽²⁾	19,321	768	5.3 %
Other investments	11,682	488	5.6 %	2,704	180	8.9 %
Total interest-earning assets	\$ 1,024,095	\$ 44,800	5.8 %	\$ 799,248	\$ 32,697	5.5 %
Contingent interest income		-			1,849	
Non-investment income		644			78	
Total revenues		\$ 45,444			\$ 34,624	
Interest-bearing liabilities:						
Lines of credit	\$ 22,804	\$ 687	4.0 %	\$ 4,447	\$ 121	3.6 %
Fixed TEBS financing	266,428	7,855	3.9 %	287,188	8,349	3.9 %
Variable TEBS financing	76,470	1,269	2.2 %	77,809	826	1.4 %
Variable Secured Notes ⁽³⁾	102,934	3,675	4.8 %	103,306	1,765	2.3 %
Fixed Term TOB financing	12,907	192	2.0 %	13,002	294	3.0 %
Variable TOB financing	453,630	8,546	2.5 %	242,637	3,110	1.7 %
Amortization of deferred finance costs	N/A	1,581	N/A	N/A	690	N/A
Derivative fair value adjustments	N/A	(6,495)	N/A	N/A	11	N/A
Total interest-bearing liabilities	\$ 935,173	\$ 17,310	2.5 %	\$ 728,389	\$ 15,166	2.8 %
Net interest income/spread ⁽⁴⁾		\$ 27,490	3.6 %		\$ 17,531	2.9 %

⁽¹⁾ Interest income includes \$1.5 million due to discount accretion on the Cross Creek MRB upon redemption at par in the third quarter of 2022. Excluding this item, the average interest rate was 5.7%.

⁽²⁾ Interest income includes \$1.8 million and \$1.7 million for payments received on property loans that were previously in nonaccrual status in the first and third quarters of 2022, respectively. Excluding these items, the average interest rate was 4.3%.

⁽³⁾ Interest expense is reported net of income/loss on the Partnership's total return swap agreements.

⁽⁴⁾ Net interest income equals the difference between total interest income from interest-earning assets minus total interest expense from interest-bearing assets. Net interest spread equals annualized net interest income divided by the average interest-bearing assets during the period.

The following table summarizes the changes in interest income and interest expense for the nine months ended September 30, 2022 and 2021, and the extent to which these variances are attributable to 1) changes in the volume of interest-earning assets and interest-bearing liabilities, or 2) changes in the interest rates of the interest-earning assets and interest-bearing liabilities. All dollar amounts are in thousands.

	For the Nine Months Ended September 30, 2022 vs. 2021		
	Total Change	Average Volume \$ Change	Average Rate \$ Change
Interest-earning assets:			
Mortgage revenue bonds	\$ 2,025	\$ 1,343	\$ 682 ⁽¹⁾
Governmental issuer loans	3,859	2,634	1,225
Property loans	5,911	3,179	2,732 ⁽²⁾
Other investments	308	598	(290)
Total interest-earning assets	\$ 12,103	\$ 7,754	\$ 4,349
Interest-bearing liabilities:			
Lines of credit	\$ 566	\$ 499	\$ 67
Fixed TEBS financing	(494)	(604)	110
Variable TEBS financing	443	(14)	457
Variable Secured Notes ⁽³⁾	1,910	(6)	1,916
Fixed Term TOB trust financing	(102)	(2)	(100)
Variable TOB financing	5,436	2,704	2,732
Amortization of deferred finance costs	891 ⁽⁴⁾	N/A	891
Derivative fair value adjustments	(6,506)	N/A	(6,506)
Total interest-bearing liabilities	\$ 2,144	\$ 2,577	\$ (433)
Net interest income	\$ 9,959	\$ 5,177	\$ 4,782

(1) The average change attributable to rate includes \$1.5 million of discount accretion on the Cross Creek MRB upon redemption at par in the third quarter of 2022.

(2) The average change attributable to rate includes \$1.8 million and \$1.7 million for payments received on property loans that were previously in nonaccrual status in the first and third quarters of 2022, respectively. This amount has been offset by lower average interest rates on additional property loan investments made after September 30, 2021.

(3) Interest expense is reported net of income/loss on the Partnership's two total return swap agreements.

(4) Due to approximately \$510,000 of unamortized deferred financing costs that were recognized as interest expense upon the collapse of a TOB in September 2022

Operational Matters

The multifamily properties securing our MRBs were all current on contractual debt service payments on our MRBs and we have received no requests for forbearance of contractual debt service payments as of September 30, 2022. We continue to regularly discuss operations and the impacts of COVID-19 with property owners and property management service providers of multifamily properties securing our MRBs. We have noted in conversations with certain property managers that rent payment relief programs are still being utilized by some of the tenant population. We did observe slight declines in occupancy and operating results at our multifamily properties securing MRBs due to COVID-19. However, operating results, plus the availability of reserves, have allowed all properties to be current on contractual debt service payments. If property operating results significantly decline in the future, we may choose to provide support to the properties through supplemental property loans to prevent defaults on the related MRBs.

Our sole student housing property securing an MRB, Live 929 Apartments, was 89% occupied as of September 30, 2022, which is lower than the average occupancy of 95% during the school term from September 2021 through May 2022. However, the borrower has leased units at higher rental rates for the 2022-2023 academic year such that overall revenues are expected to increase. In January 2022, the borrower completed a restructuring of all senior debt secured by the property and the borrower was current on all contractual MRB principal and interest payments as of September 30, 2022.

The proton therapy center securing the Provision Center 2014-1 MRB was successfully sold out of bankruptcy in July 2022 and a liquidation plan is being developed by the debtor and the bankruptcy court. Once a final accounting of bankruptcy proceeds is complete, we will receive our share of net proceeds. We own approximately 9.2% of the outstanding senior MRBs, and our reported net carrying value of the MRB, inclusive of accrued interest, was \$4.6 million for GAAP purposes as of September 30, 2022, and is our estimate of the proceeds we will ultimately receive upon liquidation of the bankruptcy and bond trust estate.

Construction and rehabilitation activities continue at properties securing our GILs and related property loans. Four properties of the 13 properties had commenced leasing operations as of September 30, 2022. To date, these properties have not experienced any material supply chain disruptions for either construction materials or labor or incurred material construction cost overruns. As many of our GIL investments and certain MRB investments have variable interest rates, we regularly monitor interest costs in comparison to

capitalized interest reserves in each property's development budget, available construction cost contingencies balances, and the funding of certain equity commitments by the owners of the underlying properties. Though original development budgets are sized to incorporate potential interest rate increases, the pace of recent interest rate increases may cause actual interest costs during construction to exceed such reserves. However, we believe such project budgets have sufficient other reserves and contingencies to cover any such potential shortfalls. In addition, such projects have developer completion guaranties as well as capital contributed by LIHTC equity investors that will only receive their tax credits upon completion and stabilization of the projects.

Seniors and Skilled Nursing MRB Investments Segment

The Seniors and Skilled Nursing MRB Investments segment provides acquisition, construction and permanent financing for seniors housing and skilled nursing properties. Seniors housing consists of a combination of the independent living, assisted living and memory care units.

As of September 30, 2022, we owned one MRB with aggregate outstanding principal of \$1.7 million, with an outstanding commitment to provide additional funding of \$42.3 million on a draw-down basis during construction. This MRB was issued to finance the construction and stabilization of a combined independent living, assisted living and memory care property in Traverse City, MI, with 154 total units. Furthermore, in 2021 we funded a property loan secured by a skilled nursing facility in Houston, TX, which was redeemed in September 2022.

The following table compares the operating results for the Senior and Skilled Nursing MRB Investments segment for the periods indicated (dollar amounts in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change
Seniors and Skilled Nursing Investments								
Total revenues	\$ 194	\$ -	\$ 194	N/A	\$ 665	\$ -	\$ 665	N/A
Interest expense	6	-	6	N/A	6	-	6	N/A
Segment net income	188	-	188	N/A	657	-	657	N/A

Operations in this segment began in December 2021. The Meadow Valley property securing our MRB is currently drawing on our investment commitment to fund construction costs.

Market-Rate Joint Venture Investments Segment

The Market-Rate Joint Venture Investments segment consists of our noncontrolling joint venture equity investments in market-rate multifamily properties, also referred to as our investments in unconsolidated entities, and property loans due from market-rate multifamily properties. Our joint venture equity investments are passive in nature. Operational oversight of each property is controlled by our joint venture partner according to the entity's operating agreement. All properties are managed by a property management company affiliated with our joint venture partner. Decisions on when to sell an individual property are made by our joint venture partner based on its view of the local market conditions and current leasing trends.

An affiliate of our joint venture partner provides a guaranty of our preferred returns on our equity investments through a date approximately five years after commencement of construction. We account for our joint venture equity investments using the equity method and recognize our preferred returns during the hold period. Upon the sale of a property, net proceeds will be distributed according to the entity operating agreement. Sales proceeds distributed to us that represent previously unrecognized preferred return and gain on sale are recognized in net income upon receipt. Historically, the majority of our income from our joint venture equity investments is recognized at the time of sale. As a result, we may experience significant income recognition in those quarters when a property is sold and our equity investment is redeemed.

The following table compares operating results for the Market-Rate Joint Venture Investments segment for the periods indicated (dollar amounts in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change
Market-Rate Joint Venture Investments								
Total revenues	\$ 2,073	\$ 3,075	\$ (1,002)	-32.6 %	\$ 7,150	\$ 8,557	\$ (1,407)	-16.4 %
Interest expense	226	194	32	16.5 %	620	234	386	165.0 %
Gain on sale of investments in unconsolidated entities	10,581	6,955	3,626	52.1 %	39,664	15,227	24,437	160.5 %
Segment net income	12,423	9,836	2,587	26.3 %	46,185	23,547	22,638	96.1 %

Comparison of the three months ended September 30, 2022 and 2021

The decrease in total revenues for the three months ended September 30, 2022 as compared to the same period in 2021 was primarily due to the following:

- A decrease of approximately \$1.4 million of investment income due to the sale of Vantage at Bulverde in August 2021;
- A decrease of approximately \$425,000 of investment income from Vantage at Murfreesboro that was sold in March 2022;
- A decrease of approximately \$212,000 of investment income from Vantage at Westover Hills that was sold in May 2022; and
- An increase of approximately \$1.0 million in investment income from equity contributed to investments in unconsolidated entities during 2021 and 2022.

Interest expense for the three months ended September 30, 2022 is related to our General LOC that is primarily secured by our investments in unconsolidated entities.

The gain on sale of investments in unconsolidated entities for the three months ended September 30, 2022 is related to the sale of the Vantage at O'Connor property in July 2022 for a gain of approximately \$10.6 million. The gain on sale of investments in unconsolidated entities for the three months ended September 30, 2021 related to the sale of the Vantage at Bulverde in August 2021 for a gain of approximately \$7.0 million.

The change in segment net income for the three months ended September 30, 2022 as compared to the same period in 2021 was primarily due to the change in total revenues and gains on sales of unconsolidated entities discussed above.

Comparison of the nine months ended September 30, 2022 and 2021

The decrease in total revenues for the nine months ended September 30, 2022 as compared to the same period in 2021 was primarily due to the following:

- A decrease of approximately \$2.4 million of investment income due to the sale of Vantage at Powdersville in May 2021;
- A decrease of approximately \$1.4 million of investment income due to the sale of Vantage at Bulverde in August 2021;
- A decrease of approximately \$862,000 of investment income due to the sale of Vantage at Germantown in March 2021;
- An increase of approximately \$378,000 of investment income from Vantage at Murfreesboro that was sold in March 2022; and
- An increase of approximately \$2.8 million in investment income from equity contributed to investments in unconsolidated entities during 2021 and 2022.

Interest expense for the nine months ended September 30, 2022 is related to our General LOC that is primarily secured by our investments in unconsolidated entities.

The gain on sale of investments in unconsolidated entities for the nine months ended September 30, 2022 was due to the following:

- The sale of Vantage at Murfreesboro in March 2022 for a gain of approximately \$16.4 million;
- The sale of Vantage at Westover Hills in May 2022 for a gain of approximately \$12.7 million; and
- The sale of Vantage at O'Connor in July 2022 for a gain of approximately \$10.6 million.

The gain on sale of investments in unconsolidated entities for the nine months ended September 30, 2021 was due to the following:

- The sale of Vantage at Germantown in March 2021 for approximately \$2.8 million
- The sale of Vantage at Powdersville in May 2021 for approximately \$5.5 million; and
- The sale of Vantage at Bulverde in August 2021 for approximately \$7.0 million.

The change in segment net income for the nine months ended September 30, 2022 as compared to the same period in 2021 was primarily due to the change in total revenues and gains on sales of unconsolidated entities discussed above.

Operational Matters

We have noted no material construction cost overruns to date, despite generally volatile market prices for construction materials, particularly lumber and commodities. In addition, we have noted no material issues in securing materials and labor needed to construct the properties underlying our investments in unconsolidated entities, despite general supply chain constraints noted in the current business environment. As of September 30, 2022, three investments have stabilized occupancy of 90% or above. Vantage at Tomball and Vantage at Helotes have completed construction, are in the initial leasing phase, and are 67% and 40% occupied as of September 30, 2022, respectively.

We continue to look for other opportunities to deploy capital in this segment. We are evaluating opportunities to expand beyond our traditional multifamily investment footprint in Texas. We are seeking other experienced joint venture partners for potential expansion into other markets, or other asset classes, in order to achieve more scale in this segment. In October 2022, we executed a \$16.0 million commitment to fund the construction of Freestone at Greeley, a 306-unit market-rate multifamily property in Greeley, CO. This is our first investment with the Freestone development group as managing member. The key principals of the Freestone development group were formerly affiliated with the Vantage development group and were closely involved in our 20 Vantage Joint Venture Equity Investments to date. The Freestone and Vantage development groups will work collaboratively together to bring the Partnership's 10 remaining Vantage branded Joint Venture Equity Investments to completion and ultimate sale. The remaining key principals of the Vantage development group may present future Joint Venture Equity Investment opportunities to the Partnership, as may the Freestone development group.

MF Properties Segment

As of September 30, 2022 and 2021, the Partnership owned the Suites on Paseo and the 50/50 MF Properties containing a total of 859 rental units that serve primarily university students.

The following table compares operating results for the MF Properties segment for the periods indicated (dollar amounts in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change
MF Properties								
Total revenues	\$ 1,914	\$ 1,812	\$ 102	5.6 %	\$ 5,786	\$ 5,294	\$ 492	9.3 %
Interest expense	273	283	(10)	-3.5 %	815	847	(32)	-3.8 %
Segment net loss	(470)	(301)	(169)	-56.1 %	(554)	(595)	41	6.9 %

Comparison of the three months ended September 30, 2022 and 2021

The increase in total revenues for the three months ended September 30, 2022 as compared to the same period in 2021 is due primarily to higher occupancy.

The decrease in interest expense is due to a decrease in the average outstanding principal.

The increase in segment net loss for the three months ended September 30, 2022 as compared to the same period in 2021 was due to the changes in total revenue and interest expense described above and an increase of approximately \$280,000 in general real estate operating expenses and increasing variable costs as a result of higher occupancy, such as utilities and repairs & maintenance.

Comparison of the nine months ended September 30, 2022 and 2021

The increase in total revenues for the nine months ended September 30, 2022 as compared to the same period in 2021 is due primarily to higher occupancy at the Suites on Paseo MF Property as on-campus enrollment recovers from declines caused by the COVID-19 pandemic.

The decrease in interest expense is due to a decrease in the average outstanding principal.

The improvement in segment net loss for the nine months ended September 30, 2022 as compared to the same period in 2021 was due to the changes in total revenue and interest expense described above and an increase of approximately \$556,000 in general operating expenses at the MF properties and increasing variable costs as a result of higher occupancy, such as utilities and repairs & maintenance.

Operational Matters

Both MF Properties have generated sufficient operating cash flows to meet all operational and mortgage payment obligations through September 30, 2022. Both properties are adjacent to universities and are above average occupancy as compared to periods prior to COVID-19. The 50/50 MF Property, which is adjacent to the University of Nebraska-Lincoln, was 97% occupied as of September 30, 2022. The Suites on Paseo MF Property, which is adjacent to San Diego State University, was 98% occupied as of September 30, 2022.

Discussion of Occupancy at Investment-Related Properties

The following tables summarize occupancy and other information regarding the properties underlying our various investment classes. The narrative discussion that follows provides a brief operating analysis of each investment class as of and for the nine months ended September 30, 2022 and 2021.

Non-Consolidated Properties – Stabilized

The owners of the following properties either do not meet the definition of a VIE and/or we have evaluated and determined we are not the primary beneficiary of the VIE. As a result, we do not report the assets, liabilities and results of operations of these properties on a consolidated basis. These properties have met the stabilization criteria (see footnote 3 below the table) as of September 30, 2022. Debt service on our MRBs for the non-consolidated stabilized properties was current as of September 30, 2022. The amounts presented below were obtained from records provided by the property owners and their related property management service providers.

Property Name	State	Number of Units as of September 30, 2022	Physical Occupancy ⁽¹⁾ as of September 30,		Economic Occupancy ⁽²⁾ for the nine months ended September 30,	
			2022	2021	2022	2021
MRB Multifamily Properties-Stabilized ⁽²⁾						
CCBA Senior Garden Apartments ⁽⁴⁾	CA	45	98 %	n/a	96 %	n/a
Courtyard	CA	108	99 %	100 %	96 %	92 %
Glenview Apartments	CA	88	94 %	95 %	89 %	96 %
Harden Ranch	CA	100	96 %	95 %	96 %	97 %
Harmony Court Bakersfield	CA	96	98 %	97 %	91 %	90 %
Harmony Terrace	CA	136	96 %	99 %	132 %	117 %
Las Palmas II	CA	81	100 %	100 %	98 %	98 %
Lutheran Gardens ⁽⁴⁾	CA	76	92 %	n/a	90 %	n/a
Montclair Apartments	CA	80	98 %	99 %	94 %	95 %
Montecito at Williams Ranch Apartments	CA	132	98 %	98 %	105 %	104 %
Montevista	CA	82	94 %	94 %	95 %	108 %
San Vicente	CA	50	100 %	100 %	89 %	94 %
Santa Fe Apartments	CA	89	94 %	100 %	91 %	94 %
Seasons at Simi Valley	CA	69	99 %	97 %	118 %	109 %
Seasons Lakewood	CA	85	99 %	98 %	99 %	98 %
Seasons San Juan Capistrano	CA	112	97 %	97 %	100 %	96 %
Solano Vista	CA	96	98 %	97 %	87 %	100 %
Summerhill	CA	128	98 %	98 %	91 %	90 %
Sycamore Walk	CA	112	98 %	99 %	88 %	89 %
The Village at Madera	CA	75	96 %	100 %	99 %	101 %
Tyler Park Townhomes	CA	88	99 %	100 %	97 %	97 %
Vineyard Gardens	CA	62	100 %	98 %	100 %	96 %
Westside Village Market	CA	81	99 %	98 %	89 %	93 %
Brookstone	IL	168	99 %	96 %	100 %	96 %
Copper Gate Apartments	IN	129	98 %	98 %	101 %	93 %
Renaissance	LA	208	94 %	93 %	91 %	90 %
Live 929 Apartments	MD	575	89 %	95 %	75 %	72 %
Gateway Village ⁽⁵⁾	NC	64	n/a	n/a	n/a	n/a
Greens Property	NC	168	99 %	99 %	80 %	92 %
Lynnhaven Apartments ⁽⁵⁾	NC	75	n/a	n/a	n/a	n/a
Silver Moon ⁽⁶⁾	NM	151	98 %	94 %	96 %	93 %
Village at Avalon ⁽⁶⁾	NM	240	95 %	98 %	96 %	97 %
Columbia Gardens	SC	188	88 %	89 %	98 %	99 %
Companion at Thornhill Apartments	SC	179	99 %	99 %	83 %	89 %
The Palms at Premier Park Apartments	SC	124	98 %	97 %	88 %	93 %
Village at River's Edge ⁽⁷⁾	SC	240	90 %	98 %	94 %	101 %
Willow Run	SC	200	90 %	92 %	100 %	99 %
Arbors at Hickory Ridge ⁽⁸⁾	TN	348	n/a	n/a	n/a	n/a
Avistar at Copperfield	TX	192	98 %	98 %	85 %	83 %
Avistar at the Crest	TX	200	98 %	98 %	84 %	77 %
Avistar at the Oaks	TX	156	98 %	96 %	89 %	88 %
Avistar at the Parkway	TX	236	94 %	97 %	83 %	84 %
Avistar at Wilcrest	TX	88	92 %	83 %	78 %	72 %
Avistar at Wood Hollow	TX	409	97 %	95 %	87 %	85 %
Avistar in 09	TX	133	100 %	99 %	93 %	89 %
Avistar on the Boulevard	TX	344	97 %	96 %	84 %	81 %
Avistar on the Hills	TX	129	96 %	97 %	85 %	86 %
Bruton Apartments	TX	264	91 %	85 %	62 %	71 %
Concord at Gulfgate	TX	288	94 %	95 %	86 %	81 %
Concord at Little York	TX	276	88 %	93 %	76 %	81 %
Concord at Williamcrest	TX	288	94 %	96 %	83 %	87 %
Crossing at 1415	TX	112	97 %	99 %	87 %	87 %
Decatur Angle	TX	302	92 %	84 %	67 %	73 %
Esperanza at Palo Alto	TX	322	85 %	93 %	76 %	87 %
Heights at 515	TX	96	97 %	95 %	89 %	89 %
Heritage Square	TX	204	98 %	98 %	83 %	76 %
Oaks at Georgetown	TX	192	92 %	97 %	92 %	93 %
Runnymede	TX	252	100 %	98 %	96 %	95 %
Southpark	TX	192	98 %	98 %	90 %	95 %
15 West Apartments ⁽⁶⁾	WA	120	99 %	99 %	98 %	99 %
		9,923	95 %	96 %	87 %	88 %

(1) Physical occupancy is defined as the total number of units occupied divided by total units at the date of measurement.

(2) Economic occupancy is defined as the net rental income received divided by the maximum amount of rental income to be derived from each property. This statistic is reflective of rental concessions, delinquent rents and non-revenue units such as model units and employee units. Physical occupancy is a point in time measurement while economic occupancy is a measurement over the period presented. Therefore, economic occupancy for a period may exceed the actual occupancy at any point in time.

(3) A property is considered stabilized once it reaches 90% physical occupancy for 90 days and an achievement of 1.15 times debt service coverage ratio on amortizing debt service for a period after construction completion or completion of the rehabilitation.

(4) Prior year occupancy data is not available as the related investment was recently acquired and not owned by the Partnership during the prior year.

(5) The MRB was redeemed at par in October 2022 and as such, the Partnership will not report property occupancy information.

(6) The physical occupancy and economic occupancy amounts are based on the latest available occupancy and financial information, which is as of June 30, 2022.

(7) The physical occupancy is based on the latest available financial information, which is as of June 30, 2022. Economic occupancy is as of September 30, 2022.

(8) The MRB is defeased and as such, the Partnership will not report property occupancy information.

Physical occupancy as of September 30, 2022 is consistent with the same period in 2021. Economic occupancy for the nine months ended September 30, 2022 decreased slightly from the same period in 2021. The Decatur Angle and Bruton Apartments properties experienced significant declines due to higher than historical bad debt reserve write-offs, though physical occupancy is improving. The Gateway Village and Lynnhaven Apartments properties experienced significant declines as part of a transition to new property management and higher than historical bad debt expenses. The MRBs associated with the Gateway Village and Lynnhaven Apartments properties were redeemed in October 2022. These declines were offset with improving economic occupancy at other properties recovering from the effects of the COVID-19 pandemic.

Non-Consolidated Properties - Not Stabilized

The owners of the following Residential Properties do not meet the definition of a VIE and/or we have evaluated and determined we are not the primary beneficiary of each VIE. As a result, we do not report the assets, liabilities and results of operations of these properties on a consolidated basis. As of September 30, 2022, these Residential Properties have not met the stabilization criteria (see footnote 3 below the table). As of September 30, 2022, debt service on the Partnership's MRBs and GILs for the non-consolidated, non-stabilized properties was current. The amounts presented below were obtained from records provided by the property owners and their related property management service providers.

Property Name	State	Number of Units as of September 30, 2022	Physical Occupancy ⁽¹⁾ as of September 30,		Economic Occupancy ⁽²⁾ for the nine months ended September 30,	
			2022	2021	2022	2021
<u>MRB Multifamily Properties-Non Stabilized ⁽³⁾</u>						
Ocotillo Springs ⁽⁵⁾	CA	75	99 %	n/a	88 %	n/a
Residency at the Entrepreneur ⁽⁴⁾	CA	200	n/a	n/a	n/a	n/a
Residency at the Mayer ⁽⁴⁾	CA	79	n/a	n/a	n/a	n/a
Jackson Manor Apartments ⁽⁵⁾	MS	60	100 %	n/a	96 %	n/a
		414				
<u>GIL Multifamily Properties-Non Stabilized ⁽³⁾</u>						
Hope on Avalon ⁽⁴⁾	CA	88	n/a	n/a	n/a	n/a
Hope on Broadway ⁽⁴⁾	CA	49	n/a	n/a	n/a	n/a
Centennial Crossings ⁽⁵⁾	CO	209	80 %	n/a	48 %	n/a
Poppy Grove I ⁽⁴⁾	CA	147	n/a	n/a	n/a	n/a
Poppy Grove II ⁽⁴⁾	CA	82	n/a	n/a	n/a	n/a
Poppy Grove III ⁽⁴⁾	CA	158	n/a	n/a	n/a	n/a
Osprey Village ⁽⁴⁾	FL	383	n/a	n/a	n/a	n/a
Magnolia Heights ⁽⁵⁾	GA	200	56 %	n/a	56 %	n/a
Willow Place Apartments ⁽⁴⁾	GA	182	n/a	n/a	n/a	n/a
Oasis at Twin Lakes ⁽⁵⁾	MN	228	100 %	n/a	71 %	n/a
Legacy Commons at Signal Hills ⁽⁵⁾	MN	247	4 %	n/a	0 %	n/a
Hilltop at Signal Hills ⁽⁵⁾	MN	146	79 %	n/a	35 %	n/a
Scharbauer Flats Apartments ⁽⁵⁾	TX	300	8 %	n/a	2 %	n/a
		2,419				
<u>MRB Seniors Housing and Skilled Nursing Properties-Non Stabilized ⁽³⁾</u>						
Meadow Valley ⁽⁴⁾	MI	154	n/a	n/a	n/a	n/a
Grand total		<u>2,987</u>				

⁽¹⁾Physical occupancy is defined as the total number of units occupied divided by total units at the date of measurement.

⁽²⁾Economic occupancy is defined as the net rental income received divided by the maximum amount of rental income to be derived from each property. This statistic is reflective of rental concessions, delinquent rents and non-revenue units such as model units and employee units. Physical occupancy is a point in time measurement while economic occupancy is a measurement over the period presented. Therefore, economic occupancy for a period may exceed the actual occupancy at any point in time.

⁽³⁾The property is not considered stabilized as it has not met the criteria for stabilization. A property is considered stabilized once it reaches 90% physical occupancy for 90 days and an achievement of 1.15 times debt service coverage ratio on amortizing debt service for a period after completion of the rehabilitation.

⁽⁴⁾Physical and economic occupancy information is not available for the nine months ended September 30, 2022 and 2021 as the property is under construction or rehabilitation.

⁽⁵⁾Physical and economic occupancy information is not available for the nine months ended September 30, 2021 as the related investment was under construction or rehabilitation.

As of September 30, 2022, all non-stabilized properties except for Ocotillo Springs, Jackson Manor, Centennial Crossings, Magnolia Heights, Oasis at Twin Lakes, Legacy Commons at Signal Hills, Hilltop at Signal Hills, and Scharbauer Flats Apartments were under construction and have no operating metrics to report. Jackson Manor and Magnolia Heights have commenced a tenant-in-place rehabilitation. Ocotillo Springs, Centennial Crossings, Oasis at Twin Lakes, Legacy Commons at Signal Hills, Hilltop at Signal Hills and Scharbauer Flats Apartments have substantially completed construction and are in lease-up.

Investments in Unconsolidated Entities

We are the only noncontrolling equity investor in various unconsolidated entities formed for the purpose of constructing market-rate, multifamily real estate properties. The Partnership determined the unconsolidated entities are VIEs but that the Partnership is not the primary beneficiary. As a result, the Partnership does not report the assets, liabilities and results of operations of these properties on a consolidated basis. The one exception is Vantage at San Marcos, for which the Partnership is deemed the primary beneficiary and reports the entity's assets and liabilities on a consolidated basis. Our noncontrolling equity investments entitle us to shares of certain cash flows generated by the entities from operations and upon the occurrence of certain capital transactions, such as a refinance or sale. The amounts presented below were obtained from records provided by the property management service providers.

Property Name	State	Construction Completion Date	Planned Number of Units	Physical Occupancy ⁽¹⁾ as of September 30,		Revenue for the Three Months Ended September 30, 2022 ⁽²⁾	Sale Date	Per-unit Sale Price
				2022	2021			
Sold Properties								
Vantage at Germantown	TN	March 2020	n/a	n/a	n/a	n/a	March 2021	\$ 149,000
Vantage at Powdersville	SC	February 2020	n/a	n/a	n/a	n/a	May 2021	170,000
Vantage at Bulverde	TX	August 2019	n/a	n/a	n/a	n/a	August 2021	170,000
Vantage at Murfreesboro	TN	October 2020	n/a	n/a	98 %	n/a	March 2022	273,000
Vantage at Westover Hills	TX	July 2021	n/a	n/a	100 %	n/a	May 2022	⁽³⁾
Vantage at O'Connor	TX	June 2021	n/a	n/a	99 %	n/a	July 2022	201,000
Operating Properties								
Vantage at Stone Creek	NE	April 2020	294	97 %	89 %	\$ 1,246,508	n/a	n/a
Vantage at Coventry	NE	February 2021	294	96 %	96 %	1,200,046	n/a	n/a
Vantage at Conroe	TX	January 2021	288	91 %	85 %	1,069,379	n/a	n/a
Vantage at Tomball	TX	April 2022	288	67 %	n/a	768,084	n/a	n/a
Properties Under Construction								
Vantage at Hutto	TX	n/a	288	n/a	n/a	n/a	n/a	n/a
Vantage at Loveland	CO	n/a	288	n/a	n/a	n/a	n/a	n/a
Vantage at Helotes ⁽⁴⁾	TX	n/a	288	40 %	n/a	\$ 183,867	n/a	n/a
Vantage at Fair Oaks	TX	n/a	288	n/a	n/a	n/a	n/a	n/a
Vantage at McKinney Falls	TX	n/a	288	n/a	n/a	n/a	n/a	n/a
Properties in Planning								
Vantage at San Marcos ⁽⁵⁾	TX	n/a	288	n/a	n/a	n/a	n/a	n/a
2,892								

⁽¹⁾Physical occupancy is defined as the total number of units occupied divided by total units at the date of measurement.

⁽²⁾Revenue is attributable to the property underlying the Partnership's equity investment and is not included in the Partnership's income.

⁽³⁾Disclosure of the per-unit sale price is not permitted according to provisions in the purchase agreement executed by the entity's managing member and the buyer.

⁽⁴⁾Information as of September 30, 2022 is provided as the property has commenced leasing operations prior to construction completion.

⁽⁵⁾The property is reported as a consolidated VIE as of September 30, 2022 (see Note 5 to the Partnership's condensed consolidated financial statements).

The Vantage properties at Hutto, Loveland, Fair Oaks and McKinney Falls are currently under construction and have yet to commence leasing activities as of September 30, 2022. Construction was completed on Vantage at Tomball during 2022 and Vantage at Helotes is nearing construction completion and both properties are leasing up in line with expectations. Vantage at San Marcos remains in the planning phase. The Vantage properties at Stone Creek, Coventry and Conroe are considered stabilized as of September 30, 2022.

MF Properties

As of September 30, 2022, we owned two MF Properties. The Partnership reports the assets, liabilities, and results of operations of these properties on a consolidated basis. The 50/50 MF property is encumbered by mortgage loans with an aggregate principal balance of approximately \$24.5 million as of September 30, 2022. Debt service on our mortgage payables was current as of September 30, 2022.

Property Name	State	Number of Units as of September 30, 2022	Physical Occupancy ⁽¹⁾ as of September 30,		Economic Occupancy ⁽²⁾ for the year ended September 30,	
			2022	2021	2022	2021
MF Properties						
Suites on Pasco	CA	384	98 %	97 %	85 %	77 %
The 50/50 Property	NE	475	97 %	88 %	83 %	83 %
		<u>859</u>	<u>98 %</u>	<u>92 %</u>	<u>84 %</u>	<u>80 %</u>

⁽¹⁾Physical occupancy is defined as the total number of units occupied divided by total units at the date of measurement.

⁽²⁾Economic occupancy is defined as the net rental income received divided by the maximum amount of rental income to be derived from each property. This statistic is reflective of rental concessions, delinquent rents and non-revenue units such as model units and employee units. Physical occupancy is a point in time measurement while economic occupancy is a measurement over the period presented. Therefore, economic occupancy for a period may exceed the actual occupancy at any point in time.

The physical occupancy and economic occupancy as of and for the nine months ended September 30, 2022 increased as compared to the same period in 2021 due to strong demand and lease-up efforts for the 2022-2023 academic year.

Results of Operations

The tables and following discussions of our changes in results of operations for the three and nine months ended September 30, 2022 and 2021 should be read in conjunction with the Partnership's condensed consolidated financial statements and notes thereto included in Item 1 of this report, as well as the Partnership's Annual Report on Form 10-K for the year ended December 31, 2021.

The following table compares our revenue and other income for the periods indicated (dollar amounts in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change
Revenues and Other Income:								
Investment income	\$ 16,564	\$ 13,620	\$ 2,944	21.6 %	\$ 44,792	\$ 40,306	\$ 4,486	11.1 %
Property revenues	1,914	1,812	102	5.6 %	5,786	5,294	492	9.3 %
Contingent interest income	-	1,849	(1,849)	-100.0 %	-	1,849	(1,849)	-100.0 %
Other interest income	4,127	401	3,726	929.2 %	8,466	1,027	7,439	724.3 %
Gain on sale of investments in unconsolidated entities	10,581	6,955	3,626	52.1 %	39,664	15,227	24,437	160.5 %
Total Revenues and Other Income	<u>\$ 33,186</u>	<u>\$ 24,637</u>	<u>\$ 8,549</u>	<u>34.7 %</u>	<u>\$ 98,708</u>	<u>\$ 63,703</u>	<u>\$ 35,005</u>	<u>55.0 %</u>

Discussion of Total Revenues and Other Income for the Three Months Ended September 30, 2022 and 2021

Investment income. The increase in investment income for the three months ended September 30, 2022 as compared to the same period in 2021 was due to the following factors:

- An increase of approximately \$1.9 million in interest income from higher GIL investment balances and higher average interest rates;
- A decrease of approximately \$1.1 million in interest income from MRB investments due to redemptions and principal paydowns, offset by an increase of approximately \$1.7 million in interest income from recent MRB acquisitions;

- An increase of approximately \$1.5 million in interest income due to discount accretion on the Cross Creek MRB upon redemption at par in September 2022; and
- A decrease of approximately \$1.0 million of investment income related to investments in unconsolidated entities. This decrease consisted of:
 - oA decrease of approximately \$1.4 million of investment income due to the sale of Vantage at Bulverde in August 2021;
 - oA decrease of approximately \$425,000 of investment income from Vantage at Murfreesboro that was sold in March 2022;
 - oA decrease of approximately \$212,000 of investment income from Vantage at Westover Hills that was sold in May 2022; and
 - oAn increase of approximately \$1.0 million in investment income from equity contributed to investments in unconsolidated entities during 2021 and 2022.

Property revenues. The increase in total revenues for the three months ended September 30, 2022 as compared to the same period in 2021 is due to improved occupancy at the Suites on Paseo and 50/50 MF Properties,

Contingent interest income. There was no contingent interest income recognized for the three months ended September 30, 2022. Contingent interest income recognized for the three months ended September 30, 2021 was realized upon the redemption of the Rosewood Townhomes – Series A and South Pointe Apartments – Series A MRBs in July 2021.

Other interest income. Other interest income is comprised primarily of interest income on our property loan, taxable MRB, and taxable GIL investments. The increase in other interest income for the three months ended September 30, 2022 as compared to the same period in 2021 was due to the following factors:

- An increase of approximately \$1.7 million in other interest income for payments received on redemption of the Cross Creek property loans that were previously in nonaccrual status;
- An increase of approximately \$1.7 million from higher average property loan, taxable MRB and taxable GIL investment balances of \$119.6 million and higher average interest rates; and
- An increase of approximately \$473,000 of other interest income due to increasing interest earned on cash balances.

Gain on sale of investments in unconsolidated entities. The gain on sale of investments in unconsolidated entities for the three months ended September 30, 2022 is related to the sale of Vantage at O'Connor in July 2022 for a gain of approximately \$10.6 million. The gain on sale of investments in unconsolidated entities for the three months ended September 30, 2021 related to the sale of Vantage at Bulverde in August 2021 for a gain of approximately \$7.0 million.

Discussion of Total Revenues and Other Income for the Nine Months Ended September 30, 2022 and 2021

Investment income. The increase in investment income for the nine months ended September 30, 2022 as compared to the same period in 2021 was due to the following factors:

- An increase of approximately \$3.9 million in interest income from higher GIL investment balances and higher average interest rates;
- An increase of approximately \$4.3 million in interest income from higher MRB investment balances and higher average interest rates, offset by a decrease of approximately \$3.7 million in interest income from MRB investments due to redemptions and principal paydowns;
- An increase of approximately \$1.5 million in interest income due to discount accretion on the Cross Creek MRB upon redemption at par in September 2022; and

- A decrease of approximately \$1.4 million of investment income related to investments in unconsolidated entities. This decrease consisted of:
 - o A decrease of approximately \$2.4 million of investment income due to the sale of Vantage at Powdersville in May 2021;
 - o A decrease of approximately \$1.4 million of investment income due to the sale of Vantage at Bulverde in August 2021;
 - o A decrease of approximately \$862,000 of investment income due to the sale of Vantage at Germantown in March 2021;
 - o An increase of approximately \$378,000 of investment income from Vantage at Murfreesboro that was sold in March 2022; and
 - o An increase of approximately \$2.8 million in investment income from equity contributed to investments in unconsolidated entities during 2021 and 2022.

Property revenues. The increase in total revenues for the nine months ended September 30, 2022 as compared to the same period in 2021 is due to improved occupancy at the Suites on Paseo and 50/50 MF Properties as on-campus enrollment recovers from declines caused by the COVID-19 pandemic.

Contingent interest income. There was no contingent interest income recognized for the nine months ended September 30, 2022. Contingent interest income recognized for the nine months ended September 30, 2021 was realized upon the redemption of the Rosewood Townhomes – Series A and South Pointe Apartments – Series A MRBs in July 2021.

Other interest income. Other interest income is comprised primarily of interest income on our property loan, taxable MRB and taxable GIL investments. The increase in other interest income for the nine months ended September 30, 2022 as compared to the same period in 2021 was due to the following:

- An increase of approximately \$3.3 million for payments received on redemption of the Ohio Properties, Live 929 Apartments and Cross Creek property loans in 2022 that were previously in nonaccrual status;
- An increase of approximately \$3.6 million in other interest income on approximately \$98.4 million of property loan, taxable MRB, and taxable GIL advances made during the nine months ended September 30, 2022 and advances during 2021 and higher average interest rates; and
- An increase of approximately \$565,000 of other interest income due to increasing interest earned on cash balances.

Gain on sale of investments in unconsolidated entities. The gain on sale of investments in unconsolidated entities for the nine months ended September 30, 2022 was due to the following:

- The sale of Vantage at Murfreesboro in March 2022 for a gain of approximately \$16.4 million;
- The sale of Vantage at Westover Hills in May 2022 for a gain of approximately \$12.7 million; and
- The sale of Vantage at O'Connor in July 2022 for a gain of approximately \$10.6 million.

The gain on sale of investments in unconsolidated entities for the nine months ended September 30, 2021 was due to the following:

- The sale of Vantage at Germantown in March 2021 for approximately \$2.8 million
- The sale of Vantage at Powdersville in May 2021 for approximately \$5.5 million; and
- The sale of Vantage at Bulverde in August 2021 for approximately \$7.0 million.

The following table compares our expenses for the periods indicated (dollar amounts in thousands):

Expenses:	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2022	2021	\$ Change	% Change	2022	2021	\$ Change	% Change
Real estate operating (exclusive of items shown below)	\$ 1,521	\$ 1,240	\$ 281	22.7 %	\$ 3,564	\$ 3,008	\$ 556	18.5 %
Provision for credit loss	-	-	-	-100.0 %	-	900	(900)	-100.0 %
Provision for loan loss	-	-	-	-100.0 %	-	330	(330)	-100.0 %
Depreciation and amortization	688	681	7	1.0 %	2,057	2,049	8	0.4 %
Interest expense	8,036	5,663	2,373	41.9 %	18,750	16,248	2,502	15.4 %
General and administrative	4,505	4,145	360	8.7 %	11,996	10,895	1,101	10.1 %
Total Expenses	<u>\$ 14,750</u>	<u>\$ 11,729</u>	<u>\$ 3,021</u>	<u>25.8 %</u>	<u>\$ 36,367</u>	<u>\$ 33,430</u>	<u>\$ 2,937</u>	<u>8.8 %</u>

Discussion of Total Expenses for the Three Months Ended September 30, 2022 and 2021

Real estate operating expenses. Real estate operating expenses are related to MF Properties and are comprised principally of real estate taxes, property insurance, utilities, property management fees, repairs and maintenance, and salaries and related employee expenses of on-site employees. Real estate operating expenses increased for the three months ended September 30, 2022 as compared to the same period in 2021 primarily due to general real estate operating expenses and increasing variable costs as a result of higher occupancy, such as utilities and repairs & maintenance.

Depreciation and amortization expense. Depreciation and amortization relate primarily to the MF Properties. Depreciation and amortization expense was relatively consistent for the three months ended September 30, 2022 as compared to the same period in 2021.

Interest expense. The increase in interest expense for the three months ended September 30, 2022 as compared to the same period in 2021 was due to the following factors:

- An increase of approximately \$1.0 million due to higher average principal outstanding of \$230.7 million;
- An increase of approximately \$3.5 million due to higher average interest rates on variable-rate and fixed-rate debt financing;
- An increase of approximately \$608,000 in amortization of deferred financing costs including approximately \$510,000 of unamortized deferred financing costs that were recognized as interest expense upon the collapse of a TOB in September 2022; and
- A decrease of approximately \$2.8 million due to an increase in the fair market value of interest rate derivative instruments attributable to rising market interest rates.

General and administrative expenses. The increase in general and administrative expenses for the three months ended September 30, 2022 as compared to the same period in 2021 was primarily due an increase in general and administrative expenses of approximately \$326,000 in administration fees paid to AFCA2 due to greater assets under management.

Discussion of Total Expenses for the Nine Months Ended September 30, 2022 and 2021

Real estate operating expenses. Real estate operating expenses are related to MF Properties and are comprised principally of real estate taxes, property insurance, utilities, property management fees, repairs and maintenance, and salaries and related employee expenses of on-site employees. Real estate operating expenses increased for the nine months ended September 30, 2022 as compared to

the same period in 2021 primarily due to general real estate operating expenses and increasing variable costs as a result of higher occupancy, such as utilities and repairs & maintenance.

Provision for credit loss. There was no provision for credit loss recognized for the nine months ended September 30, 2022. The provision for credit loss for the nine months ended September 30, 2021 is related to the other-than-temporary impairment of the Provision Center 2014-1 MRB.

Provision for loan loss. There was no provision for loan loss recognized for the nine months ended September 30, 2022. The provision for loan loss for the nine months ended September 30, 2021 is related to an increase in the loan loss allowance for the Live 929 Apartments property loan.

Depreciation and amortization expense. Depreciation and amortization relate primarily to the MF Properties. Depreciation and amortization expense was relatively consistent for the nine months ended September 30, 2022 as compared to the same period in 2021.

Interest expense. The decrease in interest expense for the nine months ended September 30, 2022 as compared to the same period in 2021 was due to the following factors:

- An increase of approximately \$2.6 million due to higher average principal outstanding of \$210.7 million;
- An increase of approximately \$5.2 million due to higher average interest rates on variable-rate and fixed-rate debt financing;
- An increase of approximately \$1.1 million in amortization of deferred financing costs including approximately \$510,000 of unamortized deferred financing costs that were recognized as interest expense upon the collapse of a TOB in September 2022; and
- A decrease of approximately \$6.5 million due to an increase in the fair market value of the Partnership's interest rate derivative instruments attributable to rising market interest rates.

General and administrative expenses. The increase in general and administrative expenses for the nine months ended September 30, 2022 as compared to the same period in 2021 was primarily due to increases of approximately \$853,000 in administration fees paid to AFCA2 due to greater assets under management, approximately \$108,000 related to increased insurance premiums, and approximately \$94,000 related to increased travel expenses.

Discussion of Income Tax Expense for the Three and Nine Months Ended September 30, 2022 and 2021

A wholly owned subsidiary of the Partnership, the Greens Hold Co, is a corporation subject to federal and state income tax. The Greens Hold Co owns The 50/50 MF Property and certain property loans. There was minimal taxable income for the Greens Hold Co for the three and nine months ended September 30, 2022 and 2021.

Cash Available for Distribution

The Partnership believes that Cash Available for Distribution (“CAD”) provides relevant information about the Partnership’s operations and is necessary, along with net income, for understanding its operating results. To calculate CAD, the Partnership begins with net income as computed in accordance with GAAP and adjusts for non-cash expenses consisting of depreciation expense, amortization expense related to deferred financing costs, amortization of premiums and discounts, non-cash interest rate derivative expense or income, provisions for credit and loan losses, impairments on MRBs, GILs, real estate assets and property loans, deferred income tax expense (benefit) and restricted unit compensation expense. The Partnership also deducts Tier 2 income (see Note 3 to the Partnership’s condensed consolidated financial statements) distributable to the General Partner as defined in the Partnership Agreement and distributions and accretion for the Preferred Units. Net income is the GAAP measure most comparable to CAD. There is no generally accepted methodology for computing CAD, and the Partnership’s computation of CAD may not be comparable to CAD reported by other companies. Although the Partnership considers CAD to be a useful measure of the Partnership’s operating performance, CAD is a non-GAAP measure that should not be considered as an alternative to net income calculated in accordance with GAAP, or any other measures of financial performance presented in accordance with GAAP.

The following table shows the calculation of CAD (and a reconciliation of the Partnership’s net income, as determined in accordance with GAAP, to CAD) for the three and nine months ended September 30, 2022 and 2021 (all per BUC amounts are presented giving effect to the one-for-three Reverse Unit Split and the BUCs Distribution on a retroactive basis for all periods presented):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 18,516,593	\$ 12,988,384	\$ 62,387,292	\$ 30,245,918
Change in fair value of derivatives	(2,871,716)	9,261	(6,579,280)	11,304
Depreciation and amortization expense	688,488	680,925	2,056,512	2,049,269
Provision for credit loss ⁽¹⁾	-	-	-	900,080
Provision for loan loss ⁽²⁾	-	-	-	330,116
Reversal of impairment on securities ⁽³⁾	(5,712,230)	-	(5,712,230)	-
Reversal of provision for loan loss ⁽⁴⁾	(593,000)	-	(593,000)	-
Amortization of deferred financing costs	982,388	368,829	1,926,580	823,212
Restricted unit compensation expense	580,156	570,467	919,563	839,551
Deferred income taxes	(42,543)	(42,011)	(49,250)	(77,681)
Redeemable Preferred Unit distributions and accretion	(716,490)	(717,762)	(2,150,734)	(2,153,288)
Tier 2 Income allocable to the General Partner ⁽⁵⁾	(70,200)	(534,873)	(2,905,748)	(2,603,020)
Recovery of prior credit loss ⁽⁶⁾	(17,345)	-	(39,968)	-
Bond premium, discount and origination fee amortization, net of cash received	957,343	(17,846)	819,627	(54,552)
Total CAD	\$ 11,701,444	\$ 13,305,374	\$ 50,079,364	\$ 30,310,909
Weighted average number of BUCs outstanding, basic	22,247,781	20,426,559	22,247,336	20,423,679
Net income per BUC, basic	\$ 0.79	\$ 0.57	\$ 2.56	\$ 1.24
Total CAD per BUC, basic	\$ 0.53	\$ 0.65	\$ 2.25	\$ 1.48
Cash Distributions declared, per BUC ⁽⁷⁾	\$ 0.366	\$ 0.327	\$ 1.257	\$ 0.921
BUCs Distribution declared, per BUC ⁽⁸⁾	\$ 0.20	\$ -	\$ 0.20	\$ -

(1) The provision for credit loss for the nine months ended September 30, 2021 relates to impairment of the Provision Center 2014-1 MRB.

(2) The provision for loan loss for the nine months ended September 30, 2021 relates to impairment of the Live 929 Apartments property loan.

(3) This amount represents previous impairments recognized as adjustments to CAD in prior periods related to the Provision Center 2014-1 MRB. The property securing the MRB was sold in July 2022 with cash proceeds contributed to the bankruptcy estate. The borrower and the bankruptcy court are developing a liquidation plan for the settlement of all remaining, receivables, payable and expenses such that the Partnership's share of the proceeds can be distributed. Substantially all the assets of the borrower were liquidated in the third quarter such that the Partnership's loss was effectively realized.

(4) This amount represents previous impairments recognized as adjustments to CAD in prior periods related to the Cross Creek property loans. Such adjustments were reversed in the third quarter of 2022 upon the settlement of the outstanding balances.

(5) As described in Note 3 to the Partnership's condensed consolidated financial statements, Net Interest Income representing contingent interest and Net Residual Proceeds representing contingent interest (Tier 2 income) will be distributed 75% to the limited partners and BUC holders, as a class, and 25% to the General Partner. This adjustment represents the 25% of Tier 2 income due to the General Partner.

For the nine months ended September 30, 2022, Tier 2 income allocable to the General Partner consisted of approximately \$2.6 million related to the gain on sale of Vantage at Murfreesboro in March 2022, and approximately \$260,000 related to the gain on sale of Vantage at Westover Hills in June 2022. For the nine months ended September 30, 2021, Tier 2 income allocable to the General Partner consisted of approximately \$703,000 related to the gain on sale of Vantage at Germantown in March 2021, approximately \$1.4 million related to the gain on sale of Vantage at Powdersville in May 2021, approximately \$462,000 related to the redemption of Rosewood Townhomes - Series A and South Pointe Apartments - Series A MRBs in July 2021, and approximately \$73,000 related to the gain on sale of Vantage at Bulverde in August 2021.

(6) The Partnership compared the present value of cash flows expected to be collected to the amortized cost basis of the Live 929 Apartments Series 2022A MRB as of March 31, 2022, which indicated a recovery of value. The Partnership will accrete the recovery of prior credit loss into investment income over the term of the MRB. The accretion of recovery of value is presented as a reduction to current CAD as the original provision for credit loss was an addback for CAD calculation purposes in the period recognized.

(7) On September 14, 2022, the Partnership declared the BUCs Distribution payable in the form of additional BUCs at a ratio of 0.01044 BUCs for each issued and outstanding BUC as of the record date of September 30, 2022. All cash distributions per BUC amounts above have been retroactively adjusted for the BUCs Distribution.

(8) On September 14, 2022, the Partnership declared the BUCs Distribution payable in the form of additional BUCs equal to \$0.20 per BUC. The BUCs Distribution was paid at a ratio of 0.01044 BUCs for each issued and outstanding BUC as of the record date of September 30, 2022, which represents an amount per BUC based on the closing price of the BUCs on the Nasdaq Stock Market LLC on September 13, 2022. The BUCs Distribution was completed on October 31, 2022.

Liquidity and Capital Resources

We continually evaluate our potential sources and uses of liquidity, including current and potential future developments related to COVID-19, market interest rates, and the general economic and geopolitical environment. The information below is based on the Partnership's current expectations and projections about future events and financial trends, which could materially differ from actual results.

Our short-term liquidity requirements over the next 12 months will be primarily operational expenses, investment commitments net of leverage secured by the investments, debt service (principal and interest payments) related to our debt financings, the potential exercise of redemption rights by the holders of the Series A Preferred Units, and distribution payments to Unitholders. We expect to meet these liquidity requirements primarily using cash on hand, operating cash flows from our investments and MF Properties, and potentially additional debt financing issued in the normal course of business. In addition, we will consider the issuance of additional BUCs, Series A-1 Preferred Units, Series B Preferred Units, or other series of limited partnership interests in the Partnership based on needs and opportunities for executing our strategy.

Our long-term liquidity requirements will be primarily for maturities of debt financings and mortgages payable; the potential exercise of redemption rights by the holders of the Series A Preferred Units; additional investments in MRBs, GILs, property loans, net of leverage secured by the investments; and additional investments in unconsolidated entities. We expect to meet these liquidity requirements primarily through refinancing of maturing debt financings with the same or similar lenders; contractual principal and interest payments from investments in MRBs, GILs and property loans; and proceeds from asset sales and redemptions. In addition, we will consider the issuance of additional BUCs, Series A-1 Preferred Units, Series B Preferred Units, or other series of limited partnership interests in the Partnership based on needs and opportunities for executing our strategy.

Sources of Liquidity

The Partnership's principal sources of liquidity consist of:

- Unrestricted cash on hand;
- Operating cash flows from investments in MRBs, GILs, property loans and investments in unconsolidated entities;
- Net operating cash flows from MF Properties;
- Secured lines of credit;
- Proceeds from the sale or redemption of assets;
- Proceeds from obtaining additional debt; and
- Issuances of BUCs, Series A-1 Preferred Units, Series B Preferred Units, or other series of limited partnership interests.

Unrestricted Cash on Hand

As of September 30, 2022, the Partnership had unrestricted cash on hand of approximately \$103.2 million. The Partnership is required to keep a minimum of \$5.0 million of unrestricted cash on hand under the terms of certain guaranty obligations. There are no other contractual restrictions of the Partnership's ability to use cash on hand.

Operating Cash Flows from Investments

Cash flows from operations are primarily comprised of regular principal and interest payments received on our MRBs, GILs and property loans that provide consistent cash receipts throughout the year. All MRBs, GILs and property loans are current on contractual debt service payments as of September 30, 2022, except for the Provision Center 2014-1 MRB. Investment receipts, net of interest expense on related debt financings and lines of credit, are available for our general use. We also receive distributions from investments in unconsolidated entities if, and when, cash is available for distribution at the unconsolidated entities.

Receipt of cash from our investments in MRBs and investments in unconsolidated entities is dependent upon the generation of net cash flows at multifamily properties that underlie our investments. These underlying properties are subject to risks usually associated with direct investments in multifamily real estate, which include (but are not limited to) reduced occupancy, tenant defaults, falling rental rates, and increasing operating expenses.

Receipt of cash from GILs and construction financing property loans is dependent on the availability of funds in the original development budgets. The current rising interest rate environment is resulting in higher interest costs for variable rate construction

financing properties. We regularly monitor capitalized interest costs in comparison to capitalized interest reserves in the property’s development budget, available construction cost contingencies balances, and the funding of certain equity commitments by the owners of the underlying properties.

Net Operating Cash Flows from MF Properties

Cash flows generated by MF Properties, net of operating expenses and mortgage debt service payments, are unrestricted for our use. The MF properties are subject to risks usually associated with direct investments in student multifamily real estate, which include (but are not limited to) reduced occupancy, tenant defaults, falling rental rates, and increasing operating expenses.

Secured Lines of Credit

We maintain a secured line of credit (“General LOC”) with two financial institutions of up to \$40.0 million to purchase additional investments and to meet general working capital and liquidity requirements. We may borrow, prepay and reborrow amounts at any time through the maturity date, subject to the limitations of a borrowing base. The aggregate available commitment cannot exceed a borrowing base calculation, which is equal to 40% multiplied by the aggregate value of a pool of eligible encumbered assets. Eligible encumbered assets consist of (i) the net book value of the Suites on Paseo MF Property, and (ii) 100% of our equity capital contributions to unconsolidated entities, subject to certain limits and restrictions. The General LOC is secured by first priority security interests in the Partnership’s investments in unconsolidated entities, a mortgage and assignment of leases and rents of the Suites on Paseo MF Property, and a security interest in a bank account at BankUnited, N.A., in which the Partnership must maintain a balance of not less than \$5.0 million. We are subject to various affirmative and negative covenants that, among others, require the Partnership to maintain liquidity of not less than \$5.0 million, maintain a consolidated tangible net worth of not less than \$100.0 million, and to notify BankUnited, N.A. if our consolidated net worth declines by (a) more than 20% from the immediately preceding quarter, or (b) more than 35% from the date at the end of two consecutive calendar quarters ending immediately thereafter. We were in compliance with all covenants as of September 30, 2022. The balance of the General LOC was \$6.5 million with the ability to draw an additional \$33.5 million as of September 30, 2022. The General LOC has a maturity date of June 2023, with options to extend for up to two additional years.

We maintain a secured non-operating line of credit (“Acquisition LOC”) with a financial institution of up to \$50 million. The Acquisition LOC may be used to fund purchases of MRBs, taxable MRBs, or loans issued to finance the acquisition, rehabilitation, or construction of affordable housing or which are otherwise secured by real estate or mortgage-backed securities (i.e., GILs and property loans). Advances on the Acquisition LOC are due on the 270th day following the advance date but may be extended for up to an additional 270 days by making certain payments. The Acquisition LOC contains a covenant, among others, that the Partnership’s senior debt will not exceed a specified percentage of the market value of the Partnership’s assets to be consistent with the Leverage Ratio (as defined by the Partnership). We were in compliance with all covenants as of September 30, 2022. There was an approximately \$24.4 million outstanding balance on the Acquisition LOC and approximately \$25.6 million was available as of September 30, 2022. The Acquisition LOC has a maturity date of June 2024, with two one-year extension options, subject to certain terms and conditions.

Proceeds from the Sale or Redemption of Assets

We may, from time to time, sell or redeem our investments in MRBs, GILs, property loans, investments in unconsolidated entities and MF Properties consistent with our strategic plans. Our MRB portfolio is marked at a premium to cost, adjusted for paydowns, primarily due to higher stated interest rates when compared to current market interest rates for similar investments. We may consider selling certain MRBs in exchange for cash at prices that approximate our currently reported fair value. However, we are contractually prevented from selling the MRBs included in our TEBS financings.

Our ability to dispose of investments on favorable terms is dependent upon several factors including, but not limited to, the number of potential buyers and the availability of credit to such potential buyers to purchase investments at prices we consider acceptable. Recent volatility in market interest rates, recent inflation and the potential for an economic recession may negatively impact the potential prices we could realize upon the disposition of our various assets.

The following table summarizes the proceeds from sales of our investments in unconsolidated entities during 2022, inclusive of the return of our initial equity investments:

Property Name	Location	Units	Month Sold	Gross Proceeds to the Partnership
Vantage at Murfreesboro	Murfreesboro, TN	288	March 2022	\$ 29,258,279
Vantage at Westover Hills	San Antonio, TX	288	May 2022	20,923,784
Vantage at O'Connor	San Antonio, TX	288	July 2022	19,381,976
				<u>\$ 69,564,039</u>

In March 2022, the Ohio Properties property loans were repaid in full. We received approximately \$2.4 million of principal and approximately \$4.3 million of accrued interest upon redemption. The Ohio Properties – Series A MRB was redeemed in March 2022, though all principal proceeds were applied as a paydown of our M24 TEBS financing. The Ohio Properties – Series B MRB was redeemed and we received approximately \$3.5 million of principal and approximately \$29,000 of accrued interest upon redemption.

In September 2022, the Cross Creek MRB and property loans were redeemed. We received approximately \$771,000 of cash proceeds upon redemption of the MRB, with the remaining redemption proceeds used to pay down the outstanding principal balance of the M24 TEBS financing. We received additional proceeds of approximately \$5.3 million upon redemption of the original Cross Creek property loans principal and accrued interest.

Proceeds from Obtaining Additional Debt

We hold certain investments that are not associated with our debt financings, mortgages payable, or secured LOCs. We may obtain leverage for these investments by posting the investments as security. As of September 30, 2022, our primary unleveraged assets were certain MRBs with outstanding principal totaling approximately \$23.6 million. Of these MRBs, approximately \$10.0 million is principal outstanding on the Provision Center 2014-1 MRB, for which the borrower has declared Chapter 11 bankruptcy, and which could limit our ability to obtain leverage related to this MRB.

Issuances of BUCs, Series A-1 Preferred Units or Series B Preferred Units

We may, from time to time, issue additional BUCs in the public market at prices or quantities that are consistent with our strategic goals. In December 2019, the Partnership's Registration Statement on Form S-3 ("Registration Statement") was declared effective by the SEC under which the Partnership may offer up to \$225.0 million of BUCs for sale from time to time. The Registration Statement will expire in December 2022, and the Partnership expects to file a new shelf registration statement with the SEC prior to the expiration of the current Registration Statement, which will allow the Partnership to issue BUCs thereunder for an additional three-year period. In July 2021, we entered into a Capital on DemandTM Sales Agreement to offer and sell, from time to time at market prices on the date of sale, BUCs up to an aggregate offering price of \$30 million via an "at the market offering." As of September 30, 2022, we have not sold any BUCs under this program. We will continue to assess if and when to issue BUCs under this program going forward.

In September 2021, we completed an underwritten public offering of 5,462,500 BUCs. The offering resulted in net cash proceeds of approximately \$31.2 million for the Partnership, after the payment of underwriting discounts, commissions and offering expenses.

We have two registration statements on Form S-3 covering the offering of Preferred Units that have been declared effective by the SEC. The following table summarizes the Partnership's current Preferred Unit offerings:

Preferred Unit Series	Initial Registration Effectiveness Date	Expiration Date	Unit Offering Price	Distribution Rate	Optional Redemption Date	Units Available to Issue as of September 30, 2022	Units Issued as of September 30, 2022
Series A-1	September 2021	September 2024	\$ 10.00	3.00%	Sixth anniversary	3,500,000 ⁽¹⁾	-
Series B	September 2021	September 2024	10.00	3.40%	Eighth anniversary	10,000,000 ⁽²⁾	-
Total						<u>13,500,000</u>	<u>-</u>

⁽¹⁾The Partnership is able to issue Series A-1 Preferred Units so long as the aggregate market capitalization of the BUCs, based on the closing price on the trading day prior to issuance of the Series A-1 Preferred Units, is no less than three times the aggregate book value of all Series A Preferred Units and Series A-1 Preferred Units, inclusive of the amount to be issued.

⁽²⁾The Partnership is able to issue Series B Preferred Units so long as the aggregate market capitalization of the BUCs, based on the closing price on the trading day prior to issuance of the Series B Preferred Units, is no less than two times the aggregate book value of all Series A Preferred Units, Series A-1 Preferred Units and Series B Preferred Units, inclusive of the amount to be issued.

We may also designate and issue additional series of preferred units representing limited partnership interests in the Partnership in accordance with the terms of the Partnership Agreement.

Uses of Liquidity

Our principal uses of liquidity consist of:

- General and administrative expenses;
- Investment funding commitments;
- Debt service on debt financings, Secured Notes, mortgages payable, and secured lines of credit;

- Distributions paid to holders of Preferred Units and BUCs;
- Potential redemptions of Series A Preferred Units; and
- Other contractual obligations.

General and Administrative Expenses

We use cash to pay general and administrative expenses of the Partnership’s operations. For additional details, see Item 1A, “Risk Factors” in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2021 and the section captioned “Cash flows from operating activities” in the Partnership’s condensed consolidated statements of cash flows set forth in Item 1 of this report. General and administrative expenses are typically paid from unrestricted cash on hand and operating cash flows.

Included in general and administrative expenses is operating lease expenses for our MF Properties, of which the most significant is a ground lease associated with The 50/50 MF Property. Such expenses are expected to be paid from operating cash flows. The following table summarizes our outstanding contractual lease obligations by year as of September 30, 2022:

Remainder of 2022	\$	35,657
2023		143,561
2024		144,706
2025		147,598
2026		150,548
Thereafter		4,219,127
Total	\$	<u>4,841,197</u>

Investment Funding Commitments

Our overall strategy is to invest in quality multifamily properties through either the acquisition of MRBs, GILs, property loans and equity investments in both existing and new markets. We evaluate investment opportunities based on, but not limited to, our market outlook, including general economic conditions, development opportunities and long-term growth potential. Our ability to make future investments is dependent upon identifying suitable acquisition and development opportunities, access to long-term financing sources, and the availability of investment capital. We may commit to fund additional investments on a draw-down or forward basis. The following table summarizes our outstanding investment commitments as of September 30, 2022:

Property Name	Commitment Date	Maturity Date	Total Initial Commitment	Remaining Commitment as of September 30, 2022	Remainder of 2022	Projected Funding by Year ⁽¹⁾			Interest Rate ⁽²⁾	Related Debt Financing ⁽³⁾
						2023	2024	2025		
Mortgage Revenue Bonds										
Residency at the Mayer - Series A	October 2021	April 2039	\$ 29,500,000	\$ 4,500,000	\$ 4,500,000	\$ -	\$ -	\$ -	SOFR + 3.60%	Variable TOB
Meadow Valley	December 2021	December 2029	44,000,000	42,276,563	3,600,000	18,500,000	20,176,563	-	6.25%	⁽⁶⁾
Residency at the Entrepreneur- Series J-3	April 2022	March 2040	26,080,000	26,080,000	8,000,000	18,080,000	-	-	6.00%	Variable TOB
Residency at the Entrepreneur- Series J-4	April 2022	March 2040	16,420,000	16,420,000	1,000,000	10,400,000	5,020,000	-	SOFR + 3.60% ⁽⁴⁾	Variable TOB
Subtotal			116,000,000	89,276,563	17,100,000	46,980,000	25,196,563	-		
Taxable Mortgage Revenue Bonds										
Residency at the Mayer Series A-T	October 2021	April 2024 ⁽⁵⁾	\$ 12,500,000	\$ 11,500,000	\$ 11,500,000	\$ -	\$ -	\$ -	SOFR + 3.70%	Variable TOB
Residency at the Entrepreneur Series J-T	April 2022	April 2025 ⁽⁵⁾	13,000,000	12,000,000	-	-	12,000,000	-	SOFR + 3.65%	Variable TOB
Subtotal			25,500,000	23,500,000	11,500,000	-	12,000,000	-		
Governmental Issuer Loans										
Hope on Broadway	January 2021	February 2023 ⁽⁵⁾	\$ 12,105,623	\$ 1,414,378	\$ 1,414,378	\$ -	\$ -	\$ -	SIFMA + 3.75%	Variable TOB
Osprey Village	July 2021	August 2024 ⁽⁵⁾	60,000,000	29,351,561	6,506,629	22,844,932	-	-	SOFR + 3.07%	Variable TOB
Willow Place Apartments	September 2021	October 2024 ⁽⁵⁾	25,000,000	12,641,729	4,604,816	8,036,913	-	-	SOFR + 3.30%	Variable TOB
Poppy Grove I	September 2022	April 2025 ⁽⁵⁾	35,688,328	28,942,328	5,600,000	23,342,328	-	-	6.78%	⁽⁶⁾
Poppy Grove II	September 2022	April 2025 ⁽⁵⁾	22,250,000	18,708,700	3,910,000	13,790,000	1,008,700	-	6.78%	⁽⁶⁾
Poppy Grove III	September 2022	April 2025 ⁽⁵⁾	39,119,507	31,769,507	6,300,000	24,460,000	1,009,507	-	6.78%	⁽⁶⁾
Subtotal			194,163,458	122,828,203	28,335,823	92,474,173	2,018,207	-		
Taxable Governmental Issuer Loans										
Hope on Avalon	January 2021	February 2023 ⁽⁵⁾	\$ 10,573,000	\$ 9,573,000	\$ 9,573,000	\$ -	\$ -	\$ -	SOFR + 3.55%	Variable TOB
Poppy Grove I	September 2022	April 2025 ⁽⁵⁾	21,157,672	20,157,672	-	-	20,157,672	-	6.78%	⁽⁶⁾
Poppy Grove II	September 2022	April 2025 ⁽⁵⁾	10,941,300	9,941,300	-	-	9,941,300	-	6.78%	⁽⁶⁾
Poppy Grove III	September 2022	April 2025 ⁽⁵⁾	24,480,493	23,480,493	-	-	19,980,493	3,500,000	6.78%	⁽⁶⁾
Subtotal			67,152,465	63,152,465	9,573,000	-	50,079,465	3,500,000		
Property Loans										
Oasis at Twin Lakes	July 2020	August 2023 ⁽⁵⁾	\$ 27,704,180	\$ 3,685,523	\$ 3,685,523	\$ -	\$ -	\$ -	LIBOR + 2.50%	Variable TOB
Hilltop at Signal Hills	January 2021	August 2023 ⁽⁵⁾	21,197,939	2,229,605	2,229,605	-	-	-	SOFR + 3.07%	Variable TOB
Legacy Commons at Signal Hills	January 2021	February 2024 ⁽⁵⁾	32,233,972	4,067,067	4,067,067	-	-	-	SOFR + 3.07%	Variable TOB
Osprey Village	July 2021	August 2024 ⁽⁵⁾	25,500,000	24,500,000	-	24,500,000	-	-	SOFR + 3.07%	Variable TOB
Willow Place Apartments	September 2021	October 2024 ⁽⁵⁾	21,351,328	20,351,328	-	20,351,328	-	-	SOFR + 3.30%	Variable TOB
Magnolia Heights	June 2022	July 2024 ⁽⁵⁾	10,300,000	9,300,000	3,286,266	6,013,734	-	-	SOFR + 3.85%	Variable TOB
Subtotal			138,287,419	64,133,523	13,268,461	50,865,062	-	-		
Equity Investments										
Vantage at San Marcos ⁽⁷⁾	November 2020	N/A	\$ 9,914,529	\$ 8,943,914	\$ 8,943,914	\$ -	\$ -	\$ -	N/A	N/A
Subtotal			9,914,529	8,943,914	8,943,914	-	-	-		
Bond Purchase Commitments										
Anaheim & Walnut	September 2021	Q3 2024 ⁽⁸⁾	\$ 3,900,000	\$ 3,900,000	\$ -	\$ -	\$ 3,900,000	\$ -	4.85%	N/A
Subtotal			3,900,000	3,900,000	-	-	3,900,000	-		
Total Commitments			\$ 554,917,871	\$ 375,734,668	\$ 88,721,198	\$ 190,319,235	\$ 93,194,235	\$ 3,500,000		

(1) Projected fundings by year are based on current estimates and the actual funding schedule may differ materially due to, but not limited to, the pace of construction, adverse weather conditions, delays in governmental approvals or permits, the availability of materials and contractors, and labor disputes.

(2) The variable index interest rate components are typically subject to floors that range from 0% to 0.85%.

(3) The Partnership has securitized the indicated assets in TOB trust financing facilities that allow for additional principal proceeds as the remaining investment commitments are funded by the Partnership. See Note 15 for further details on debt financing.

(4) Upon stabilization, the MRB will convert to a fixed rate of 8.0% and become subordinate to the other senior MRBs.

(5) The borrower may elect to extend the maturity date for a period ranging between six and twelve months upon meeting certain conditions, including payment of a non-refundable extension fee.

(6) The initial draw on this investment was funded with available cash or proceeds from the Acquisition LOC. In October 2022, the Poppy Grove I, Poppy Grove II and Poppy Grove III GILs and property loans assets were securitized in TOB trust financing facilities that allow for additional principal proceeds as the remaining investment commitments are funded by the Partnership.

(7) The property became a consolidated VIE effective during the fourth quarter of 2021 (Note 5). A development site has been identified for this property but construction had not commenced as of September 30, 2022.

(8) This is the estimated closing date of the associated bond purchase commitment.

Debt Service on Debt Financings, Secured Notes, Mortgages Payable, and Secured Lines of Credit

Our debt financing arrangements consist of various secured financing transactions to leverage our portfolio of MRBs, taxable MRBs, GILs, a taxable GIL and certain property loans. The financing arrangements generally involve the securitization of these investment assets into trusts whereby we retain beneficial interests in the trusts that provide us certain rights to the underlying investment assets. The senior beneficial interests are sold to unaffiliated parties in exchange for debt proceeds. The senior beneficial interests require

periodic interest payments that may be fixed or variable, depending on the terms of the arrangement, and scheduled principal payments. We are required to fund any shortfall in principal and interest payable to the senior beneficial interests of the TEBS financings in the case of non-payment, forbearance or default of the borrowers' contractual debt service payments of the related MRBs, up to the value of our residual interests. In the case of forbearance or default on an underlying investment asset in a Term TOB or TOB trust financing, we may be required to fund shortfalls in principal and interest payable to the senior beneficial interests, repurchase a portion of the outstanding senior beneficial interests, or repurchase the underlying investment asset and seek alternative financing. We anticipate that cash flows from the securitized investment assets will fund normal, recurring principal and interest payments to the senior beneficial interests and all trust-related fees.

Our debt financing arrangements include various fixed and variable debt arrangements. Recent increases in short-term interest rates have resulted in increases in the interest costs associated with our variable debt financing arrangements. We actively manage our portfolio of fixed and variable rate debt financings and our exposure to changes in market interest rates. The following table summarizes our fixed and variable rate debt financings as of September 30, 2022 and December 31, 2021:

Securitized Assets - Fixed or Variable Interest Rates	Related Debt Financing - Fixed or Variable Interest Rates	September 30, 2022		December 31, 2021	
		Outstanding Principal	% of Total Debt Financing	Outstanding Principal	% of Total Debt Financing
Fixed	Fixed	\$ 263,991,914	27.3 %	\$ 293,999,683	35.8 %
Variable ⁽¹⁾	Variable ⁽¹⁾	376,920,000	39.0 %	242,204,000	29.4 %
	Variable	220,605,819	22.9 %	286,567,660	34.8 %
Fixed	Variable - Hedged ⁽²⁾	103,840,000	10.8 %	-	0.0 %
Total		\$ 965,357,733		\$ 822,771,343	

⁽¹⁾The securitized assets and related debt financings each have variable interest rates, though the variable rate indices may differ on individual transactions. As such, the Partnership is largely hedged against rising interest rates.

⁽²⁾As of September 30, 2022, we have two interest rate swaps indexed to SOFR with notional amounts totaling \$103.8 million with terms through 2024 and 2027. Though the variable rate indices may differ, these interest rate swaps have effectively synthetically fixed the interest rate of the related debt financing.

In October 2022, we deposited the fixed rate GILs and property loans for Poppy Grove I, Poppy Grove II and Poppy Grove III into variable rate TOB trust financings. To hedge our interest expense exposure, we entered into an interest rate swap agreement with a term beginning in April 2023 and ending in April 2025, which is the original stated maturity date of the GILs and property loans. The interest rate swap agreement was structured with an initial notional value of \$34.4 million that increases over time up to \$99.6 million to hedge our increasing net interest exposure as we fund our investment commitments during construction. These new TOB trust financings and the related interest rate swap agreement are not reflected in the table above as the transactions occurred after September 30, 2022.

We may be required to post collateral if the value of investment assets securitized in TOB trust financings, plus our net exposure on our interest rate derivatives, drops below a threshold in the aggregate. We posted collateral totaling \$4.4 million during the nine months ended September 30, 2022, net of collateral returned, due to volatility in asset pricing. We were able to meet all collateral posting requirements with unrestricted cash on hand. Continuing volatility in market interest rates and potential deterioration of general economic conditions may cause the value of our investment assets to decline and result in the posting of additional collateral in the future. Our Secured Notes are secured by the cash flows from the residual certificates of our TEBS financings. Interest due on the Secured Notes, net of amounts due to the Partnership on the related total return swap transactions, will be paid from receipts related to the TEBS financing residual certificates. Future receipts of principal related to the TEBS financing residual certificates will be used to pay down the principal of the Secured Notes. The Partnership has guaranteed the payment and performance of the responsibilities under the Secured Notes and related documents.

Our mortgages payable financing arrangements are used to leverage The 50/50 MF Property. The mortgages are entered into with financial institutions and are secured by the MF Property. The mortgages bear interest at fixed rates and include scheduled principal payments. The mortgages mature in March 2025 and April 2027. We anticipate that cash flows from The 50/50 MF Property will be sufficient to pay all normal, recurring principal and interest payments.

Our General LOC and Acquisition LOC require monthly interest payments on outstanding balances and certain quarterly commitment fees. Such obligations are paid primarily from operating cash flows. The Acquisition LOC requires principal payments as previously described in this Item 2. The General LOC does not require principal payments until maturity in June 2023 as long as the outstanding principal does not exceed the borrowing base calculation.

Distributions Paid to Holders of Preferred Units and BUCs

Distributions to the holders of Series A Preferred Units and Series A-1 Preferred, if declared by the General Partner, are paid quarterly at an annual fixed rate of 3.0%. If the Partnership were to issue Series B Preferred Units, holders of such units will be paid quarterly distributions, if declared by the General Partner, at an annual fixed rate of 3.4%. The Series A Preferred Units, Series A-1 Preferred Units and Series B Preferred Units are non-cumulative, non-voting and non-convertible.

On September 14, 2022, we announced that the Board of Managers of Greystone Manager, which is the general partner of the General Partner, declared a quarterly cash distribution of \$0.366 per BUC to unitholders of record on September 30, 2022 and payable on October 31, 2022. The Board of Managers of Greystone AF Manager also declared a supplemental distribution payable in the form of additional BUCs equal to \$0.20 per BUC. All fractional BUCs resulting from the BUCs Distribution received cash for such fraction based on the market value of the BUCs on the record date.

The Partnership and its General Partner continually assess the level of distributions for the Preferred Units and BUCs based on cash available for distribution, financial performance and other factors considered relevant.

Potential Redemptions of Series A Preferred Units

Upon the sixth anniversary of the closing of the sale of Series A Preferred Units to a subscriber, and upon each anniversary thereafter, each holder of Series A Preferred Units has the right to redeem, in whole or in part, the Series A Preferred Units held by such holder at a per unit redemption price equal to \$10.00 per unit plus an amount equal to all declared and unpaid distributions through the date of the redemption. The next optional redemption dates for the currently outstanding Series A Preferred Units range from March 2023 through December 2023 and the holders must provide notice of the election to redeem no less than 180 days prior to such redemption dates. No Unitholders have given notice of their election to redeem Series A Preferred Units as of September 30, 2022. If the holders of the Series A Preferred Units elect to redeem, we will be required, subject to certain restrictions, to secure funds to redeem from unrestricted cash on hand, proceeds from our General LOC, additional borrowings or through additional capital raising options.

In July 2021, our registration statement on Form S-4 to register the offering and issuance of up to 9,450,000 of Series A-1 Preferred Units under a shelf registration process was declared effective by the SEC. Under this offering, the Partnership may issue up to 9,450,000 Series A-1 Preferred Units in exchange for the Partnership's outstanding Series A Preferred Units. If unitholders elect to exchange Series A Preferred Units for Series A-1 Preferred Units, the new Series A-1 Preferred Units will not be eligible for redemption until the sixth anniversary of the date of the exchange, except in certain limited circumstances.

In April 2022 and October 2022, we issued 2,000,000 and 1,000,000 Series A-1 Preferred Units, respectively, in exchange for 2,000,000 and 1,000,000 outstanding Series A Preferred Units held by two financial institutions, respectively. These Series A-1 Preferred Units were issued in a registered offering pursuant to a registration statement on Form S-4, which was declared effective by the Securities and Exchange Commission (the "Commission") on July 6, 2021, and subsequently amended pursuant to a Post-Effective Amendment to the Form S-4, which was declared effective by the Commission on April 13, 2022 (as amended, the "Form S-4"). The remaining 6,450,000 of outstanding Series A Preferred Units are eligible for exchange under the registration statement on Form S-4 through July 2023.

Other Contractual Obligations

We are subject to various guaranty obligations in the normal course of business, and, in most cases, do not anticipate these obligations to result in significant cash payments by the Partnership.

Cash Flows

For the nine months ended September 30, 2022, we used cash of \$2.9 million, which was the net result of \$19.7 million provided by operating activities, \$110.4 million used in investing activities, and \$87.8 million provided by financing activities.

Cash provided by operating activities totaled \$19.7 million for the nine months ended September 30, 2022, as compared to \$23.3 million generated for the nine months ended September 30, 2021. The change between periods was primarily due to the following factors:

- An increase of \$32.1 million in net income, offset by the \$24.4 million adjustment for the gain on sale of unconsolidated entities that is considered cash from investing activities;
- A decrease of \$6.5 million related to the unrealized gain on interest rate derivatives;

- A decrease of \$1.7 million related to the amortization of bond premium, discount and origination fees;
- A total decrease of \$1.2 million in non-cash provisions for credit loss and loan loss;
- A decrease of \$5.1 million related to changes in the preferred return receivable from unconsolidated entities;
- An increase of \$1.8 million adjustment for contingent interest that is considered cash from investing activities;
- An increase of \$1.1 million related to the amortization of deferred financing costs; and
- An increase of \$878,000 of cash related to changes in the Partnership's net operating assets and liabilities.

Cash used in investing activities totaled \$110.4 million for the nine months ended September 30, 2022, as compared to cash used of \$64.6 million for the nine months ended September 30, 2021. The change between periods was primarily due to the following factors:

- A decrease of \$78.6 million of cash due to MRB acquisitions and draw-down funding, offset by an increase of \$55.4 million of cash due to MRB paydowns and redemptions;
- A decrease of \$65.4 million of cash due to continued advances on property loans, offset by an increase of \$4.6 million of cash due to less advances on GILs and increase of \$30.1 million due to property loan principal payments received;
- A decrease of \$9.7 million of cash due to taxable MRB acquisitions and draw-down funding;
- A decrease of \$2.9 million of cash due to greater contributions to unconsolidated entities;
- A decrease of \$2.0 million of cash due to advances on taxable GILs;
- An increase of \$21.7 million of cash due to greater proceeds from the sale of investments in unconsolidated entities; and
- An increase of \$1.4 million of cash due the return of investments in unconsolidated entities.

Cash provided by financing activities totaled \$87.8 million for the nine months ended September 30, 2022, as compared to cash provided of \$93.1 million for the nine months ended September 30, 2021. The change between periods was primarily due to the following factors:

- A decrease of \$31.5 million of cash related to proceeds from the sale of BUCs in September 2021;
- A net decrease of \$21.3 million of cash due to an increase in payments on the secured lines of credit;
- A decrease of \$17.5 million of cash due to greater distributions paid;
- A net increase of \$55.5 million of cash due to proceeds from debt financing;
- A net increase of \$7.5 million of cash due to a decrease in payments on the terminated unsecured line of credit; and
- An increase of \$1.3 million of cash related to the repurchase of BUCs in May 2021.

We believe our cash balance and cash provided by the sources discussed herein will be sufficient to pay, or refinance, our debt obligations and to meet our liquidity needs over the next 12 months.

Leverage Ratio

We set target constraints for each type of financing utilized by us. Those constraints are dependent upon several factors, including the assets being leveraged, the tenor of the leverage program, whether the financing is subject to margin collateral calls, and the liquidity and marketability of the financed collateral. We use target constraints for each type of financing to manage to an overall maximum 75% leverage level (the "Leverage Ratio"), as established by the Board of Managers of Greystone Manager. The Board of Managers of Greystone Manager retains the right to change the maximum Leverage Ratio in the future based on the consideration of factors the Board of Managers considers relevant. We calculate our Leverage Ratio as total outstanding debt divided by total assets using cost adjusted for paydowns for MRBs, GILs, property loans, taxable MRBs and taxable GILs, and initial cost for deferred financing costs and real estate assets. As of September 30, 2022, our overall Leverage Ratio was approximately 70%.

Off Balance Sheet Arrangements

As of September 30, 2022 and December 31, 2021, we held MRBs, GILs, taxable MRBs, a taxable GIL and certain property loans that are secured by affordable multifamily and seniors housing properties and one commercial property, which are owned by entities that are not controlled by us. We have no equity interest in these entities and do not guaranty any obligations of these entities.

The Partnership has entered into various commitments and guaranties. For additional discussions related to commitments and guaranties, see Note 18 to the Partnership's condensed consolidated financial statements.

We do not engage in trading activities involving non-exchange traded contracts. As such, we are not materially exposed to any financing, liquidity, market, or credit risk that could arise if we had engaged in such relationships.

We do not have any relationships or transactions with persons or entities that derive benefits from their non-independent relationships with us or our related parties, other than those disclosed in Note 21 to the Partnership's condensed consolidated financial statements.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting pronouncements that will be adopted in future periods, see Note 2 to the Partnership's condensed consolidated financial statements.

Community Investments

The Partnership has invested and intends to invest in assets which are and will be purchased in order to support underlying community development activities targeted to low- and moderate-income individuals, such as affordable housing, small business lending, and job creating activities in areas of the United States. These investments may be eligible for regulatory credit under the Community Reinvestment Act of 1977 ("CRA") and available for allocation to holders of our Preferred Units (see Note 19 to Partnership's condensed consolidated financial statements).

The following table sets forth the assets of the Partnership the General Partner believes are eligible for regulatory credit under the CRA and are available for allocation to Preferred Unit investors as of September 30, 2022:

Property Name	Investment Available for Allocation	Senior Bond Maturity Date ⁽¹⁾	Street	City	County	State	Zip
CCBA Senior Garden Apartments	\$ 3,807,000	7/1/2037	438 3rd Ave	San Diego	San Diego	CA	92101
Courtyard Apartments	5,000,000	12/1/2033	4127 W. Valencia Dr	Fullerton	Orange	CA	92833
Glenview Apartments	670,000	12/1/2031	2361 Bass Lake Rd	Cameron Park	El Dorado	CA	95682
Harden Ranch Apartments	460,000	3/1/2030	1907 Dartmouth Way	Salinas	Monterey	CA	93906
Harmony Court Apartments	3,730,000	12/1/2033	5948 Victor Street	Bakersfield	Kern	CA	93308
Harmony Terrace Apartments	3,400,000	1/1/2034	941 Sunset Garden Lane	Simi Valley	Ventura	CA	93065
Hope on Avalon	14,390,000	2/1/2023	12225-12227 South Avalon Blvd	Los Angeles	Los Angeles	CA	90061
Hope on Broadway	10,691,245	2/1/2023	5138 South Broadway	Los Angeles	Los Angeles	CA	90037
Lutheran Gardens Apartments	10,352,000	2/1/2025	2347 E. El Segundo Boulevard	Compton	Los Angeles	CA	90222
Montclair Apartments	1,630,000	12/1/2031	150 S 19th Ave	Lemoore	Kings	CA	93245
Montecito at Williams Ranch	7,690,000	10/1/2034	1598 Mesquite Dr	Salinas	Monterey	CA	93905
Montevista	6,720,000	7/1/2036	13728 San Pablo Avenue	San Pablo	Contra Costa	CA	94806
Ocotillo Springs ⁽²⁾	18,090,000	8/1/2037	1615 I St	Brawley	Imperial	CA	92227
Poppy Grove I	7,746,000	4/1/2025	10149 Bruceville Road	Elk Grove	Sacramento	CA	95624
Poppy Grove II	4,541,300	4/1/2025	10149 Bruceville Road	Elk Grove	Sacramento	CA	95624
Poppy Grove III	8,350,000	4/1/2025	10149 Bruceville Road	Elk Grove	Sacramento	CA	95624
Residency at the Entrepreneur ⁽³⁾	17,500,000	3/31/2040	1657-1661 North Western Avenue	Hollywood	Los Angeles	CA	90027
Residency at the Mayer ⁽⁴⁾	26,000,000	4/1/2039	5500 Hollywood Boulevard	Hollywood	Los Angeles	CA	90028
San Vicente Townhomes	495,000	11/1/2033	250 San Vicente Road	Soledad	Monterey	CA	93960
Santa Fe Apartments	265,000	12/1/2031	16576 Sultana St	Hesperia	San Bernardino	CA	92345
Seasons Lakewood Apartments	5,000,000	1/1/2034	21309 Bloomfield Ave	Lakewood	Los Angeles	CA	90715
Seasons At Simi Valley	4,376,000	9/1/2032	1606 Rory Ln	Simi Valley	Ventura	CA	93063
Solano Vista Apartments	2,655,000	1/1/2036	40 Valle Vista Avenue	Vallejo	Solano	CA	94590
Summerhill Family Apartments	3,623,000	12/1/2033	6200 Victor Street	Bakersfield	Kern	CA	93308
Sycamore Walk	632,000	1/1/2033	380 Pacheco Road	Bakersfield	Kern	CA	93307
Tyler Park Townhomes	75,000	1/1/2030	1120 Heidi Drive	Greenfield	Monterey	CA	93927
Village at Madera Apartments	85,000	12/1/2033	501 Monterey St	Madera	Madera	CA	93637
Vineyard Gardens	3,995,000	1/1/2035	2800 E Vineyard Ave	Oxnard	Ventura	CA	93036
Westside Village Apartments	1,970,000	1/1/2030	595 Vera Cruz Way	Shafter	Kern	CA	93263
Centennial Crossings Senior Apartments	57,330,000	9/1/2023	15475 East Fair Place	Centennial	Arapahoe	CO	80016
Osprey Village	31,648,439	8/1/2024	151 N. Osprey Village Road	Kissimmee	Osceola	FL	34758
Magnolia Heights	21,400,000	7/1/2024	10156 Magnolia Heights Circle	Covington	Newton	GA	30014
Willow Place Apartments	13,358,271	10/1/2024	150 South Zack Hinton Parkway	McDonough	Henry	GA	30253
Brookstone Apartments	7,351,468	5/1/2040	4200 Hickory Hills Drive	Waukegan	Lake	IL	60087
Copper Gate Apartments	5,220,000	12/1/2029	3140 Copper Gate Circle	Lafayette	Tippicanoe	IN	47909
Renaissance Gateway Apartments	11,500,000	6/1/2050	650 N. Ardenwood Drive	Baton Rouge	East Baton Rouge Parish	LA	70806
Hilltop at Signal Hills	43,418,334	8/1/2023	50 Signal Hills Center	West Saint Paul	Dakota	MN	55118
Legacy Commons at Signal Hills	62,786,905	2/1/2024	50 Signal Hills Center	West Saint Paul	Dakota	MN	55118
Oasis at Twin Lakes	58,018,657	8/1/2023	2705,2725, & 2745 Herschel St. N	Roseville	Ramsey	MN	55113
Jackson Manor Apartments ⁽⁵⁾	6,900,000	5/1/2038	332 Josanna Street	Jackson	Hinds	MS	39202
Greens of Pine Glen	10,315,000	10/1/2047	6201 Pine Glen Trail	Durham	Durham	NC	27713
Silver Moon Apartments	8,500,000	8/1/2055	901 Park Avenue SW	Albuquerque	Bernalillo	NM	87102
Village at Avalon	16,400,000	1/1/2059	915 Park SW	Albuquerque	Bernalillo	NM	87102
Columbia Gardens Apartments	15,000,000	12/1/2050	4000 Plowden Road	Columbia	Richland	SC	29205
Companion at Thornhill Apartments	11,500,000	1/1/2052	930 East Main Street	Lexington	Lexington	SC	29072
The Palms at Premier Park	20,152,000	1/1/2050	1155 Clemson Frontage Road	Columbia	Richland	SC	29229
Village at River's Edge	10,000,000	6/1/2033	Gibson & Macrae Streets	Columbia	Richland	SC	29203
Willow Run	15,000,000	12/18/2050	511 Alcott Drive	Columbia	Richland	SC	29203
Arbors of Hickory Ridge Apartments	11,581,925	1/1/2049	6296 Lake View Trail	Memphis	Shelby	TN	38115
Angle Apartments	23,000,000	1/1/2054	4250 Old Decatur Rd	Fort Worth	Tarrant	TX	76106
Avistar at Copperfield (Meadow Creek)	14,000,000	5/1/2054	6416 York Meadow Drive	Houston	Harris	TX	77084
Avistar at the Crest Apartments	11,211,961	3/1/2050	12660 Uhr Lane	San Antonio	Bexar	TX	78217
Avistar at the Oaks	8,985,774	8/1/2050	3935 Thousand Oaks Drive	San Antonio	Bexar	TX	78217
Avistar at Wilcrest (Briar Creek)	3,470,000	5/1/2054	1300 South Wilcrest Drive	Houston	Harris	TX	77042
Avistar at Wood Hollow (Oak Hollow)	40,260,000	5/1/2054	7201 Wood Hollow Circle	Austin	Travis	TX	78731
Avistar in 09 Apartments	7,808,622	8/1/2050	6700 North Vandiver Road	San Antonio	Bexar	TX	78209
Avistar on Parkway	13,425,000	5/1/2052	9511 Perrin Beitel Rd	San Antonio	Bexar	TX	78217
Avistar on the Blvd	17,559,976	3/1/2050	5100 USAA Boulevard	San Antonio	Bexar	TX	78240
Avistar on the Hills	5,769,327	8/1/2050	4411 Callaghan Road	San Antonio	Bexar	TX	78228
Crossing at 1415	7,990,000	12/1/2052	1415 Babcock Road	San Antonio	Bexar	TX	78201
Concord at Gulf Gate Apartments	19,185,000	2/1/2032	7120 Village Way	Houston	Harris	TX	77087
Concord at Little York Apartments	13,440,000	2/1/2032	301 W Little York Rd	Houston	Harris	TX	77076
Concord at Williamcrest Apartments	20,820,000	2/1/2032	10965 S Gessner Rd	Houston	Harris	TX	77071
Esperanza at Palo Alto Apartments	19,540,000	7/1/2058	SWC of Loop 410 and Highway 16 South	San Antonio	Bexar	TX	78224
Heights at 515	6,435,000	12/1/2052	515 Exeter Road	San Antonio	Bexar	TX	78209
Heritage Square Apartments	11,185,000	9/1/2051	515 S. Sugar Rd	Edinburg	Hidalgo	TX	78539
Oaks at Georgetown Apartments	12,330,000	1/1/2034	550 W 22nd St	Georgetown	Williamson	TX	78626
Runnymede Apartments	10,825,000	10/1/2042	1101 Rutland Drive	Austin	Travis	TX	78758
Scharbauer Flats Apartments	64,160,000	1/1/2023	2300 N. Fairgrounds Road	Midland	Midland	TX	79705
South Park Ranch Apartment Homes	11,919,860	12/1/2049	9401 S 1st Street	Austin	Travis	TX	78748
15 West Apartments	9,850,000	7/1/2054	401 15th Street	Vancouver	Clark	WA	98660
	\$ 964,090,064						

(1) The date reflects the stated contractual maturity of the Partnership's senior debt investment in the property. For various reasons, including, but not limited to, call provisions that can be exercised by both the borrower and the Partnership, such debt investments may be redeemed prior to the stated maturity date. The Partnership may also elect to sell certain debt investments prior to the contractual maturity, consistent with its strategic purposes.

(2) The Partnership has committed to provide funding of an MRB up to \$15.0 million and of a taxable MRB up to \$7.0 million during construction and lease-up of the property on a drawdown basis. The taxable MRB has a maturity date of 8/1/2023 with an option to extend the maturity up to one year. Upon stabilization of the property, the MRB will be partially repaid and the maximum balance of the MRB after stabilization is approximately \$3.5 million and will have a maturity date of 8/1/2037.

(3) The Partnership committed to provide total funding of MRBs up to \$59.0 million and a taxable MRB up to \$13.0 million during the acquisition and rehabilitation phase of the property on a draw-down basis. The taxable MRB has a maturity date of 4/1/2025 with an option to extend the maturity six months if stabilization has not occurred. Upon stabilization of the property, the MRB will be partially repaid and the maximum balance of the MRB after stabilization will not exceed \$44.1 million and will have a maturity date of 3/31/2040.

(4) The Partnership committed to provide total funding of an MRB up to \$29.5 million and a taxable MRB up to \$12.5 million during the acquisition and rehabilitation phase of the property on a draw-down basis. The taxable MRB has a maturity date of 4/1/2024 with an option to extend the maturity six months if stabilization has not occurred. Upon stabilization of the property, the MRB will be partially repaid and the maximum balance of the MRB after stabilization will not exceed \$18.1 million and will have a maturity date of 4/1/2039.

(5) The Partnership committed to provide total funding of the MRB up to \$6.9 million during the acquisition and rehabilitation phase of the property on a draw-down basis. Upon stabilization of the property, the MRB will be partially repaid and the maximum balance of the MRB after stabilization will not exceed \$4.8 million and will have a maturity date of 5/1/2038.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The primary components of our market risk as of September 30, 2022 are related to interest rate risk and credit risk. Our exposure to market risks relates primarily to our investments in MRBs, GILs, property loans and our debt financing and mortgages payable. We seek to actively manage these and other risks and to acquire and hold assets that we believe justify bearing those risks, and to maintain capital levels consistent with those risks.

The current rising interest rate environment, the recent inflationary environment, and the risk of a potential recession have contributed to increasing market risk. See the information under “Quantitative and Qualitative Disclosures about Market Risk” in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2021 for additional information.

Interest Rate Risk

The first nine months of 2022 was a volatile period for the fixed income markets as the Federal Reserve announced five separate Federal Funds Rate increases totaling 300 basis points and signaled future short term interest rate increases to combat inflation in the broader economy. In addition, the Federal Reserve announced an additional 75 basis point increase in short term interest rates in early November 2022. The Federal Reserve has also stated its intention to reduce its balance sheet of US treasury bonds and mortgage-backed securities which may cause further upward pressure on interest rates. Increases in short-term interest rates will generally result in similar increases in the interest cost associated with our variable debt financing arrangements.

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, and other factors beyond our control. The nature of our MRBs, GILs, property loans and the debt financing used to finance these investments, exposes us to financial risk due to fluctuations in market interest rates. The majority of our MRBs bear interest at fixed rates. The GILs and property loans predominantly bear interest at variable rates, noting many are subject to interest rate floors.

The following table sets forth information regarding the impact on the Partnership’s net interest income assuming various changes in short-term interest rates as of September 30, 2022:

Description	- 25 basis points	+ 50 basis points	+ 100 basis points	+ 150 basis points	+ 200 basis points
TOB Debt Financings	\$ 1,151,060	\$ (2,302,120)	\$ (4,604,241)	\$ (6,906,361)	\$ (9,208,482)
TEBS Debt Financings	126,193	(252,385)	(504,771)	(757,156)	(1,009,542)
Other Investment Financings	(15,694)	31,387	62,774	94,162	125,549
Variable Rate Investments	(953,487)	1,906,973	3,813,947	5,720,920	7,627,893
Total	\$ 308,072	\$ (616,145)	\$ (1,232,291)	\$ (1,848,435)	\$ (2,464,582)

The interest rate sensitivity table above (the “Table”) represents the change in interest income from investments, net of interest on debt and settlement payments for interest rate derivatives over the next twelve months, assuming an immediate parallel shift in the LIBOR yield curve and the resulting implied forward rates are realized as a component of this shift in the curve. Assumptions include anticipated interest rates, relationships between interest rate indices and outstanding investments, liabilities and interest rate derivative positions. No assurance can be made that the assumptions included in the Table presented herein will occur or that other events will not occur that will affect the outcomes of the analysis. Furthermore, the results included in the Table assume the Partnership does not act to change its sensitivity to the movement in interest rates. As the above information incorporates only those material positions or exposures that existed as of September 30, 2022, it does not consider those exposures or positions that have arisen or could arise after that date. The ultimate economic impact of these market risks will depend on the exposures that arise during the period, our risk mitigation strategies at that time and the overall business and economic environment.

We employ leverage to fund the acquisition of many of our fixed income assets. Approximately 73% of our leverage bears interest at short term variable interest rates. Our remaining 27% of leverage has fixed interest rates. Of those assets funded with short term variable rate debt facilities, more than half bear interest at a variable rate as well. While there is some basis risk between the interest cost associated with our debt financing arrangements and the short-term interest rate indices on our variable rate assets, this portion of our portfolio is substantially match funded with rising short term interest rates having a minimal impact on our net interest income.

For those fixed rate assets where we have variable rate funding, hedging instruments such as interest rate caps and interest rate swaps have been utilized to hedge some, but not all, potential increases in our funding cost that would result from higher short term

interest rates. In some cases, these positions have been hedged to their expected maturity date. In others, a shorter-term hedge has been executed due to uncertainty regarding the time period over which the individual fixed rate asset might be outstanding.

LIBOR and certain other variable rate benchmark indices to which some of our asset and liabilities remain tied, are the subject of recent national, international, and regulatory guidance and proposals for reform. The ICE Benchmark Association, or IBA, intends to cease publication of our relevant U.S. dollar LIBOR settings immediately after June 30, 2023. Further, on March 15, 2022, the Consolidated Appropriations Act of 2022, which includes the Adjustable Interest Rate (LIBOR) Act, was signed into law in the U.S. This legislation establishes a uniform benchmark replacement process for financial contracts that mature after June 30, 2023 which do not contain clearly defined or practicable fallback provisions. The legislation also creates a safe harbor that shields lenders from litigation if they choose to utilize a replacement rate recommended by the Board of Governors of the Federal Reserve.

The Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, has identified the Secured Overnight Financing Rate, or SOFR, a new index calculated using short-term repurchase agreements backed by Treasury securities, as its preferred alternative rate for USD LIBOR. As of September 30, 2022, LIBOR indices are utilized as the variable benchmark rate on one of our taxable MRBs, three of our property loans, our General LOC, our Secured Notes debt financing and our total return swap agreement. At this time, it is not possible to predict how markets will respond to SOFR or other alternative reference rates as the transition away from USD LIBOR proceeds. Despite the LIBOR transition in various markets, multi-rate environments may persist in the near term as regulators and working groups have suggested market participants adopt alternative reference rates.

As of September 30, 2022, our stated costs of borrowing by type of facility were as follows:

- The M31 TEBS financing has a variable interest rate of 3.9%;
- The M24 and M33 TEBS financings have fixed interest rates that range between 3.1% and 3.2%;
- The M45 TEBS financing has a fixed interest rate of 3.8% through July 31, 2023 and 4.4% thereafter;
- The Term TOB trust securitized by an MRB has a fixed interest rate of 2.0%;
- The TOB trust financings securitized by MRBs, GILs and property loans have variable interest rates that range between 3.6% and 4.9%;
- The Secured Notes have a variable interest rate of 12.3%; and
- The mortgages payable have interest rates that range between 4.4% and 7.0%.

We have entered into a total return swap agreement to lower the net interest cost of our Secured Notes. The following table sets forth certain information regarding the Partnership's total return swap agreement as of September 30, 2022:

Trade Date	Notional Amount	Effective Date	Termination Date	Period End Variable Rate Paid	Period End Variable Rate Received	Variable Rate Index	Counterparty	Fair Value as of September 30, 2022
September 2020	102,789,326	September 2020	Sept 2025	7.04 % ⁽¹⁾	12.29 % ⁽²⁾	3-month LIBOR	Mizuho Capital Markets	\$ 224,852
								<u>\$ 224,852</u>

⁽¹⁾Variable rate equal to 3-month LIBOR + 3.75%, subject to a floor of 4.25%.

⁽²⁾Variable rate equal to 3-month LIBOR + 9.00%.

We have entered into two interest rate swap agreements to mitigate interest risk associated with the variable rate TOB trust financings (Note 15). The following table summarizes our interest rate swap agreements as of September 30, 2022:

Trade Date	Notional Amount	Effective Date	Termination Date	Fixed Rate Paid	Period End Variable Rate Received	Variable Rate Index	Variable Debt Financing Hedged ⁽¹⁾	Counterparty	Fair Value of Asset as of September 30, 2022
February 2022	55,990,000	2/9/2022	2/1/2024	1.40 %	2.49 %	SOFR	TOB Trusts	Mizuho Capital Markets	\$ 2,202,723
March 2022	47,850,000	3/3/2022	3/1/2027	1.65 %	2.49 %	SOFR	TOB Trusts	Mizuho Capital Markets	4,268,940
									<u>\$ 6,471,663</u>

We may enter into additional interest rate cap agreements to mitigate our exposure to interest rate fluctuations on variable-rate debt financing facilities. The following table sets forth certain information regarding the Partnership's interest rate cap agreements as of September 30, 2022:

Purchase Date	Notional Amount	Maturity Date	Effective Capped Rate ⁽¹⁾	Index	Variable Debt Financing Hedged ⁽¹⁾	Counterparty	Fair Value as of September 30, 2022
August 2019	75,449,918	Aug 2024	4.5 %	SIFMA	M31 TEBS	Barclays Bank PLC	\$ 158,706
							<u>\$ 158,706</u>

⁽¹⁾For additional details, see Notes 15, 17 and 22 to the Partnership's condensed consolidated financial statements.

Credit Risk

Our primary credit risk is the risk of default on our investment in MRBs, GILs and property loans collateralized by the multifamily residential, seniors housing and skilled nursing properties. The MRBs and GILs are not direct obligations of the governmental authorities that issue the MRB or GIL and are not guaranteed by such authorities or any insurer. In addition, the MRBs, GILs and the associated property loans are non-recourse obligations of the property owner. As a result, the primary sources of principal and interest payments on our MRBs, GILs and the property loans are the net operating cash flows generated by these properties or the net proceeds from a sale or refinance of these properties. Affiliates of the borrowers of our GILs and construction financing property loans have full to limited guaranties of construction completion and payment of principal and accrued interest on the GILs and property loans, so the Partnership may have additional recourse options for these investments.

If a property is unable to sustain net rental revenues at a level necessary to pay current debt service obligations on our MRB, GIL or property loans, a default may occur. A property's ability to generate net operating cash flows is subject to a variety of factors, including rental and occupancy rates of the property and the level of its operating expenses. Occupancy rates and rents are directly affected by the supply of, and demand for, multifamily residential, single-family rentals, seniors housing and skilled nursing properties in the market area where the property is located. This is affected by several factors such as local or national economic conditions, the amount of new apartment construction and the affordability of single-family homes. In addition, factors such as government regulation (e.g. zoning laws and permitting requirements), inflation, real estate and other taxes, labor problems, and natural disasters can affect the economic operations of a multifamily residential property. Rental rates for set-aside units at affordable multifamily properties are typically tied to certain percentages of the area median income. Increases in area median income are not necessarily correlated to inflationary increases in operating expenses. A significant mismatch between area median income growth and increased property operating expenses could negatively impact net operating cash flows available to pay debt service.

Certain MRBs, our GILs, and construction financing property loans fund the construction of new affordable multifamily properties and have variable interest rates. Since there are little to no operating cash flows during the construction and lease-up periods for new properties, borrowers utilize capitalized interest reserves to fund debt service prior to stabilization. Increases in market interest rates will cause an increase in debt service costs. If interest rate increases are large enough, such capitalized interest reserves and other budgeted contingencies may be insufficient to pay all debt service through stabilization. Such cost overruns may, if other funding sources are not available to the borrowers and if related guarantors fail to meet their obligations, cause defaults on our construction financing assets.

Defaults on the MRBs, GILs or property loans may reduce the amount of future cash available for distribution to Unitholders. In addition, if a property's net operating cash flows decline, it may affect the market value of the property. If the market value of a property deteriorates, the amount of net proceeds from the ultimate sale or refinancing of the property may be insufficient to repay the entire principal balance of the MRB, GIL or property loan. In the event of a default, we will have the right to foreclose on the mortgage or deed of trust securing the property. If we take ownership of the property securing a defaulted MRB or GIL, we will be entitled to all net operating cash flows generated by the property and subject to risks associated with ownership of multifamily real estate. If such an event occurs, these investments will not provide tax-exempt income.

We actively manage the credit risks associated with our MRBs, GILs and property loans by performing a complete due diligence and underwriting process of the owners and the properties securing these investments prior to investing. In addition, we continually monitor the on-going performance of the properties underlying these investments.

Credit risk is also present in the geographical concentration of the properties securing our MRBs. We have significant geographic concentrations in Texas, California, and South Carolina. The table below summarizes the geographic concentrations in these states as a percentage of the total MRB principal outstanding:

	September 30, 2022	December 31, 2021
Texas	42 %	41 %
California	26 %	23 %
South Carolina	9 %	11 %

Mortgage Revenue Bonds Sensitivity Analysis

A third-party pricing service is used to value our MRBs. The pricing service uses a discounted cash flow and yield to maturity or call analysis which encompasses judgment in its application. The key assumption in the yield to maturity or call analysis is the range of effective yields of the individual MRBs. The effective yield analysis for each MRB considers the current market yield of similar securities, specific terms of each MRB, and various characteristics of the property collateralizing the MRB such as debt service coverage ratio, loan to value, and other characteristics.

We completed a sensitivity analysis which is hypothetical and is as of a specific point in time. The results of the sensitivity analysis may not be indicative of actual changes in fair value and should be used with caution. The table below summarizes the sensitivity analysis metrics related to the investments in the MRBs as of September 30, 2022:

Description	Estimated Fair Value (in 000's)	Range of Effective Yields used in Valuation	Range of Effective Yields if 10% Adverse Applied	Additional Unrealized Losses with 10% Adverse Change (in 000's)
Mortgage Revenue Bonds	\$ 695,069	3.2% -21.0%	3.5 %-23.1%	\$ 21,858

Reinvestment Risk

MRBs may have optional call dates that may be exercised by either the borrower or the Partnership that are earlier than the contractual maturity at either par or premiums to par. In addition, most of our GILs and property loans are prepayable at any time without penalty. Borrowers may choose to redeem our investments if prevailing market interest rates are lower than the interest rate on our investment asset or for other reasons. In order to maintain or grow our investment portfolio size and earnings, we must reinvest repayment proceeds in new assets. New MRB, GIL and property loan opportunities may not generate the same returns as our current investments such that our reported operating results may decline over time. In addition, rising interest rates and construction costs could limit the ability of developers to initiate new projects for us to finance with MRBs, GILs and property loans.

Similarly, we are subject to reinvestment risk on the return of capital from sales of investments in unconsolidated entities. Our strategy involves making equity investments in unconsolidated entities for the development, stabilization and sale of market-rate multifamily rental properties. Our initial equity contributions are returned upon sale of the properties underlying the unconsolidated entities, at which time we will reinvest the capital into new unconsolidated entities or other investments. Fewer new investment opportunities may result from negative changes in various economic factors and those investments that we do make may not generate the same returns as our prior investments due to factors including, but not limited to, increasing competition in the development of market-rate multifamily rental properties, rising interest rates and increasing construction costs. Lower returns on new investment opportunities will result in declining operating results over time.

Item 4. Controls and Procedures.

Evaluation of disclosure controls and procedures. The Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of the Partnership's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that, as of the end of such period, the Partnership's current disclosure controls and procedures were effective in ensuring that (i) information required to be disclosed by the Partnership in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and (ii) information required to be disclosed by the Partnership in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Partnership's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. The Chief Executive Officer and Chief Financial Officer have determined that there were no changes in the Partnership's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Partnership's most recent fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1A. Risk Factors.

The risk factors affecting the Partnership are described in Item 1A “Risk Factors” in the Partnership’s Annual Report on Form 10-K for the year ended December 31, 2021, which is incorporated by reference herein. There have been no material changes from these previously disclosed risk factors for the nine months ended September 30, 2022, except those as follows:

Global economic, political and market conditions, including uncertainty about the financial stability of the United States, could have a significant adverse effect on our business, financial condition and results of operations.

Downgrades by rating agencies to the U.S. government’s credit rating or concerns about its credit and deficit levels in general, could cause interest rates and borrowing costs to rise, which may negatively impact both the perception of credit risk associated with our investment portfolio and our ability to access the debt markets on favorable terms. Interest rates have risen in recent months, and the risk that they may continue to do so is pronounced. In addition, a decreased U.S. government credit rating could create broader financial turmoil and uncertainty, which may weigh heavily on our financial performance and the market value of our BUCs.

The current global financial market situation, as well as various social and political circumstances in the U.S. and around the world, including wars and other forms of conflict, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, adverse effects of climate crisis and global health epidemics, may contribute to increased market volatility and economic uncertainties or deterioration in the U.S. and worldwide. In particular, the consequences of the Russian military invasion of Ukraine, including comprehensive international sanctions, the impact on inflation and increased disruption to supply chains may impact our counterparties with which we do business, and specifically our financing counterparties and financial institutions from which we obtain financing for the purchase of our MRBs, GILs, and other investments, result in an economic downturn or recession either globally or locally in the U.S. or other economies, reduce business activity, spawn additional conflicts (whether in the form of traditional military action, reignited “cold” wars or in the form of virtual warfare such as cyberattacks) with similar and perhaps wider ranging impacts and consequences and have an adverse impact on the Partnership’s returns, net income, and CAD. We have no way to predict the duration or outcome of the situation, as the conflict and government reactions are rapidly developing and beyond our control. Prolonged unrest, military activities, or broad-based sanctions may increase our funding costs or limit our access to the capital markets.

Additionally, the U.S. government’s credit and deficit concerns, the European geopolitical and economic environment, and any continuing macroeconomic uncertainty with respect to China could cause interest rates to be volatile, which may negatively impact our ability to obtain debt financing on favorable terms. In this period of rising interest rates, our cost of funds may increase except to the extent we have obtained fixed rate debt, issued Preferred Units with a fixed distribution rate, or sufficiently hedged our interest rate risk, which could reduce our net income and CAD.

We are subject to risks associated with the current interest rate environment, and changes in interest rates may affect our cost of capital and, consequently, our net income and CAD.

In 2022, the U.S. Federal Reserve raised short term interest rates and has suggested additional interest rate increases may come. Changing interest rates may have unpredictable effects on markets, may result in heightened market volatility and may detract from our performance to the extent we are exposed to such interest rates and/or volatility. In periods of rising interest rates, such as the current interest rate environment, to the extent we borrow money subject to a variable interest rate, our cost of funds would increase, which could reduce our net income. Further, rising interest rates could also adversely affect our performance if such increases cause our borrowing costs to rise at a rate in excess of the rate that our investments yield. Further, rising interest rates could also adversely affect our performance if we hold investments with variable interest rates, subject to specified minimum interest rates (such as a LIBOR or SOFR floor, as applicable), while at the same time engaging in borrowings subject to variable interest rates not subject to such minimums. In such a scenario, rising interest rates may increase our interest expense, even though our interest income from investments is not increasing in a corresponding manner as a result of such minimum interest rates.

A further increase in interest rates during this period of rising interest rates may make it more costly for us to service the debt under our financing arrangements. Rising interest rates could also cause the developers of the projects we finance through MRBs, GILs, and property loans to shift cash from other productive uses to the payment of interest, which may have a material adverse effect on their business and operations and could, over time, lead to delays in construction, leasing and stabilization of properties, and corresponding increased defaults.

We finance the purchase of a significant portion of our investments, including our purchases of MRBs and GILs. As a result, our net income and CAD will depend, in part, upon the difference between the rate at which we borrow funds and the yields on our

investments in those instruments. We can offer no assurance that continued significant changes in market interest rates would not have a material adverse effect on our net income and CAD. In this period of rising interest rates, our cost of funds may further increase, which could reduce our net income and CAD.

We are subject to risks related to inflation.

Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. Recently, inflation has increased to its highest level in decades. As inflation increases, the real value of our BUCs and distributions therefore may decline. In addition, during any periods of rising inflation, interest rates on our variable rate debt financing arrangements would likely increase, which would tend to further reduce returns to unitholders. Inflation rates may change frequently and significantly as a result of various factors, including unexpected shifts in the domestic or global economy and changes in economic policies, and the yields on our investments may not keep pace with inflation, which may result in losses to our unitholders. This risk is greater for fixed-income instruments with longer maturities.

Item 6. Exhibits.

The following exhibits are filed as required by Item 601 of Regulation S-K. Exhibit numbers refer to the paragraph numbers under Item 601 of Regulation S-K:

- 10.1 [Second Amendment to Amended and Restated Credit Agreement date July 29, 2022 between America First Multifamily Investors, L.P. and Bankers Trust Company \(incorporated herein by reference to Exhibit 10.1 to Form 8-K \(No. 000-24843\), filed by the Partnership on August 1, 2022\).](#)
- 10.2 [Revolving Line of Credit Note dated July 29, 2022 between America First Multifamily Investors, L.P. and Bankers Trust Company \(incorporated herein by reference to Exhibit 10.2 to Form 8-K \(No. 000-24843\), filed by the Partnership on August 1, 2022\).](#)
- 10.3 [Series A-1 Preferred Units Exchange Agreement dated October 1, 2022.](#)
- 31.1 [Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 31.2 [Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 32.1 [Certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 32.2 [Certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101 The following materials from the Partnership's Quarterly Report on Form 10-Q for the periods ended September 30, 2022 are filed herewith, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets on September 30, 2022 and December 31, 2021, (ii) the Condensed Consolidated Statements of Operations for the periods ended September 30, 2022 and 2021, (iii) the Condensed Consolidated Statements of Comprehensive Income for the periods ended September 30, 2022 and 2021, (iv) the Condensed Consolidated Statements of Partners' Capital for the periods ended September 30, 2022 and 2021, (v) the Condensed Consolidated Statements of Cash Flows for the periods ended September 30, 2022 and 2021, and (vi) Notes to Condensed Consolidated Financial Statements. Such materials are presented with detailed tagging of notes and financial statement schedules.
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (the "Agreement") is made as of the 1st day of October 2022 by and between AMERICA FIRST MULTIFAMILY INVESTORS, L.P., a Delaware limited partnership (the "Partnership"), and the investor signatory hereto (the "Investor").

WHEREAS, the Investor holds the securities of the Company set forth on the Investor's signature page attached hereto (the "Existing Securities");

WHEREAS, subject to the terms and conditions set forth in this Agreement, the Partnership desires to exchange with the Investor, and the Investor desires to exchange with the Company, the Existing Securities for the Series A-1 Preferred Units representing limited partnership interests of the Partnership set forth on the Investor's signature page hereto (the "Series A-1 Preferred Units" or the "Exchange Securities") having the rights, preferences, and privileges set forth in that certain Designation of the Preferences, Rights, Restrictions, and Limitations of the Series A-1 Preferred Units attached as Exhibit A- 1P to the Fifth Amendment to First Amended and Restated Agreement of Limited Partnership of the Partnership dated as of April 20, 2021 (the "Certificate of Designations").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the premises and the mutual agreements, representations and warranties, provisions, and covenants contained herein, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. **Exchange.** On the Closing Date (as defined below), subject to the terms and conditions of this Agreement, the Investor shall, and the Partnership shall, exchange the Existing Securities for the Exchange Securities. Subject to the conditions set forth herein, the exchange of the Existing Securities for the Exchange Securities shall take place at the offices of Greystone AF Manager LLC, which is the general partner of the general partner of the Partnership (the "General Partner"), on October 1, 2022, or at such other time and place as the General Partner and the Investor mutually agree (the "Closing" and the "Closing Date"). At the Closing, the following transactions shall occur (such transaction, an "Exchange"):

(a) On the Closing Date, in exchange for the Existing Securities, the Partnership shall issue Exchange Securities to the Investor and deliver evidence of the issuance of such Exchange Securities to the Investor or its designee in accordance with the Investor's delivery instructions set forth on the Investor signature page hereto. Upon the issuance of the Exchange Securities in accordance with this Section 1(a), all of the Investor's rights under the Existing Securities shall be extinguished.

(b) On the Closing Date, the Investor shall be deemed for all corporate purposes to have become the holder of record of the Exchange Securities, and the Existing Securities shall be deemed for all corporate purposes to have been cancelled.

(c) The Partnership and the Investor shall execute and/or deliver such other documents and agreements as are customary and reasonably necessary to effectuate the Exchange, including, at the request of the Partnership or the General Partner, or the Partnership's transfer agent, executed assignments in customary form.

Exchange Agreement

Section 2. **Closing Conditions.**

(a)**Conditions to Investor's Obligations.** The obligation of the Investor to consummate the Exchange is subject to the fulfillment, to the Investor's reasonable satisfaction, prior to or at the Closing, of each of the following conditions:

(i)**Representations and Warranties.** The representations and warranties of the Partnership contained in this Agreement shall be true and correct in all material respects on the date hereof and on and as of the Closing Date as if made on and as of such date.

(ii)**Issuance of Securities.** At the Closing, the Partnership shall deliver evidence of the issuance of the Exchange Securities, registered in the name of the Investor, to the Investor or its designee in accordance with the Investor's delivery instructions set forth on the Investor signature page hereto.

(iii)**No Actions.** No action, proceeding, investigation, regulation, or legislation shall have been instituted, threatened, or proposed before any court, governmental agency, or authority or legislative body to enjoin, restrain, prohibit, or obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated by this Agreement.

(iv)**Proceedings and Documents.** All proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Investor, and the Investor shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

(b)**Conditions to the Partnership's Obligations.** The obligation of the Partnership to consummate the Exchange is subject to the fulfillment, to the Partnership's reasonable satisfaction, prior to or at the Closing, of each of the following conditions:

(i)**Representations and Warranties.** The representations and warranties of the Investor contained in this Agreement shall be true and correct in all material respects on the date hereof and on and as of the Closing Date as if made on and as of such date.

(ii)**No Actions.** No action, proceeding, investigation, regulation, or legislation shall have been instituted, threatened, or proposed before any court, governmental agency, or authority or legislative body to enjoin, restrain, prohibit, or obtain substantial damages in respect of, this Agreement or the consummation of the transactions contemplated by this Agreement.

(iii)**Registration Statement Effective.** The registration statement on Form S-4 (or such other form as the Partnership is eligible to use for the Exchange) which has been filed with the Partnership with the Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended (the "Securities Act") covering the Series A-1 Preferred Units issued in the Exchange (the "Registration Statement") shall have been declared effective by the SEC and such Registration Statement shall remain effective as of the Closing, and no stop order suspending the effectiveness of the Registration Statement shall have been issued under the Securities Act as of the Closing, and no proceedings for that purpose shall have been instituted, or shall be pending, by the SEC as of the Closing.

(iv) **Proceedings and Documents.** All proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Partnership and the Partnership shall have received all such counterpart originals or certified or other copies of such documents as the Partnership or General Partner may reasonably request.

Section 3. **Representations and Warranties of the Partnership.** The Partnership hereby represents and warrants to the Investor that:

(a) **Organization, Good Standing and Qualification.** The Partnership is a limited partnership duly organized, validly existing, and in good standing under the laws of the State of Delaware. The Partnership is duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on its business or properties.

(b) **Authorization.** All corporate action on the part of the Partnership, the General Partner, and their respective officers, directors, and managers necessary for the authorization, execution, and delivery of this Agreement and the performance of all obligations of the Partnership hereunder, and the authorization (or reservation for issuance of), the Exchange, and the issuance of the Exchange Securities have been taken on or prior to the date hereof.

(c) **Valid Issuance of the Securities.** The Series A-1 Preferred Units, when issued in accordance with the terms of this Agreement, for the consideration expressed herein, will be duly and validly issued, fully paid, and non-assessable.

(d) **Consents; Waivers.** No consent, waiver, approval, or authority of any nature, or other formal action, by any person or entity, not already obtained, is required in connection with the execution and delivery of this Agreement by the Partnership or the consummation by the Partnership of the transactions provided for herein and therein.

(e) **Absence of Proceedings.** There is no action, suit, proceeding, inquiry, or investigation before or by any court, public board, government agency, self-regulatory organization, or other body pending or, to the knowledge of the Partnership or General Partner, threatened against or affecting the Partnership, the Exchange Securities, or any of the Partnership's officers in their capacities that would have a material adverse effect on the Partnership's business or properties. There is no stop order suspending the effectiveness of the Registration Statement that has been issued under the Securities Act and that is currently in effect, and no proceedings for that purpose have been instituted by the SEC or are pending.

(f) **Validity; Enforcement; No Conflicts.** This Agreement and the other documents entered into in connection herewith (the "Transaction Documents") to which the Partnership is a party, have been duly and validly authorized, executed, and delivered on behalf of the Partnership and shall constitute the legal, valid, and binding obligations of the Partnership enforceable against the Partnership in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies. The execution, delivery, and performance by the Partnership of this Agreement and each Transaction Document to which the Partnership is a party and the consummation by the Partnership of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of the Partnership, or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, or instrument to which the Partnership is a party or by which it is bound, or (iii) result in a violation of any law, rule, regulation, order, judgment, or decree (including

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federal and state securities or “blue sky” laws) applicable to the Partnership, except in the case of clause (ii) above, for such conflicts, defaults or rights which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Partnership to perform its obligations hereunder.

Section 4. **Representations and Warranties of the Investor.** The Investor hereby represents, warrants, and covenants to the Partnership that:

(a) **Investor Information.** The address of the Investor on the signature page hereto is the true and correct address of the domicile and residency of the Investor, and the Investor has no present intention of changing such address to another state or jurisdiction. The Investor agrees to promptly notify the Partnership if the information contained in this Agreement or any other Transaction Document is or becomes incorrect.

(b) **Investment Intent.** The Investor is acquiring the Series A-1 Preferred Units for its own account and for investment purposes only, and not with a view to the distribution or resale thereof, in whole or in part, to anyone else.

(c) **Liquidity.** The Investor is in such a financial condition that it has no need for liquidity with respect to the Series A-1 Preferred Units and no need to dispose of any portion of the Series A-1 Preferred Units acquired hereby to satisfy any existing or contemplated undertaking or indebtedness. The Investor hereby represents that, at the present time, the Investor could afford a complete loss of its investment in the Series A-1 Preferred Units.

(d) **No Governmental Approvals of Offering.** The Investor understands that no federal or state governmental agency or authority, including the SEC, has approved or disapproved of the Series A-1 Preferred Units or determined that the prospectus that is made part of the Registration Statement is truthful or complete.

(e) **Availability of Other Information.** The Investor acknowledges that the Partnership has made available to it and its management the opportunity to ask questions and receive answers concerning the Partnership, the First Amended and Restated Agreement of Limited Partnership of the Partnership dated as of September 15, 2015, as amended (the “Partnership Agreement”), and the Series A-1 Preferred Units, and to obtain any additional information which the Partnership or General Partner possesses or can acquire without unreasonable effort or expense and has received any and all information requested.

(f) **Independent Evaluation of Exchange.** No representations or warranties have been made to the Investor concerning the Partnership, its business, the General Partner, or the Series A-1 Preferred Units by the Partnership, the General Partner, any affiliate of the Partnership or the General Partner, or any agent, officer, or employee of any of them, or by any other person, other than as set forth herein, and in entering into this Agreement the Investor is not relying on any information other than the results of the Investor’s own independent investigation and due diligence. In this regard, the Investor has made its own inquiry and analysis (on its own or with the assistance of others) with respect to the Partnership and its business, the General Partner, the Series A-1 Preferred Units, the Partnership Agreement, and other material factors affecting the Series A-1 Preferred Units. Based on such information and analysis, the Investor has been able to make an informed decision to enter into this Agreement and acquire the Series A-1 Preferred Units.

(g) **Sophistication of Investor.** The Investor has such knowledge and experience in financial and business matters that the Investor is capable of evaluating the merits and risks of an investment in the Series A-1 Preferred Units. To the extent necessary, the Investor has retained, at its own expense, and

relied upon, appropriate professional advice regarding the investment, tax, and legal merits and consequences of this Agreement and the ownership of the Series A-1 Preferred Units.

(h)**No Public Market for the Series A-1 Preferred Units.** The Investor understands that there is no public market for the Series A-1 Preferred Units, the Partnership does not intend for a public market in the Series A-1 Preferred Units to develop, and such a public market is unlikely ever to develop.

(i)**State of Domicile.** The Investor's state of domicile, both at the time of the initial offer of the Series A-1 Preferred Units to the Investor and at the present time, was and is within the state set forth in the Investor's address disclosed on this Agreement below.

(j)**Organization and Authority; Investor Status.** The Investor is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization with the full right, corporate or partnership power, and authority to enter into and to consummate the transactions contemplated by this Agreement and to otherwise carry out its obligations hereunder. The execution, delivery, and performance by the Investor of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or similar action on the part of the Investor. The Investor's governing instruments permit, and it is duly qualified to enter into, the Exchange. This Agreement and the other Transaction Documents have been duly executed by the Investor, and when delivered by the Investor in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Investor, enforceable against it in accordance with its terms.

(k)**Tax Consequences of Investment.** The Investor hereby acknowledges that there can be no assurance regarding the tax consequences of an investment in the Series A-1 Preferred Units, nor can there be any assurance that the Internal Revenue Code of 1986, as amended, or the regulations promulgated thereunder, or other applicable laws and regulations, will not be amended at some future time. In making this investment for the Series A-1 Preferred Units, the Investor hereby represents that it is relying solely upon the advice of the Investor's tax advisor with respect to the tax aspects of an investment in the Series A-1 Preferred Units.

(l)**Anti-Money Laundering Provisions.** Neither the Investor nor (i) any person controlling or controlled by the Investor, (ii) any person having a beneficial interest in the Investor, or (iii) any person for whom the Investor is acting as agent or nominee in connection with this investment, is a person or entity with which the Partnership would be prohibited from engaging in a transaction under the rules and regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. No funds the Investor used or will use for the purchase of Series A-1 Preferred Units either now or for any future capital contributions, if any, were, and are not directly or indirectly derived from, activities that contravene U.S. federal, state, local, or international laws and regulations applicable to the Investor, including U.S. anti-money laundering laws and regulations. The Investor agrees to promptly notify the Partnership if any of the foregoing representations in this Section 4(l) cease to be true and accurate regarding the Investor. The Investor also agrees to provide the Partnership and the General Partner with any additional information regarding the Investor that the Partnership or General Partner deems necessary or convenient to ensure compliance with the foregoing representations. The Investor understands and agrees that if at any time it is discovered that any of the foregoing representations are incorrect, or if otherwise required by applicable law or regulation related to money laundering or similar activities, the Partnership may undertake appropriate actions to ensure compliance with applicable laws or regulations, including, but not limited to, segregation and/or redemption of the Investor's investment in the Series A-1 Preferred Units. The Investor further understands that the Partnership may release confidential information about the Investor and, if applicable, any underlying beneficial owners of the Investor, to the proper authorities if the General Partner, in its sole discretion, determines that it is in the best interests of the Partnership in light of the foregoing described anti-money laundering rules.

(m)**No Right to Require Registration Upon Resale.** The Investor understands that the Investor has no right to require the Partnership to register the further resale of the Investor's Series A-1 Preferred Units under federal or state securities laws at any time.

Section 5. **Additional Covenants.**

(a)**Governing Law.** The Investor agrees that, notwithstanding the place where this Agreement may be executed by any of the parties hereto, all the terms and provisions hereof shall be construed in accordance with and governed by the laws of the State of Delaware, without regard to principles of conflicts of laws. The Investor hereby irrevocably agrees that any suit, action, or proceeding with respect to this Agreement and any or all transactions relating hereto shall be brought in the local courts in New Castle County, Delaware or in the U.S. District Court for the District of Delaware, as the case may be.

(b)**Indemnification of the Partnership and Others.** The Investor agrees to hold the Partnership, the General Partner, and its officers, managers, and controlling persons (as defined in the Securities Act), and any persons affiliated with any of them or with the issuance of the Series A-1 Preferred Units, harmless from all expenses, liabilities, and damages (including reasonable attorneys' fees) deriving from a disposition of the Series A-1 Preferred Units by the Investor in a manner in violation of the Securities Act, or of any applicable state securities law or which may be suffered by any such person by reason of any breach by the Investor of any of the representations contained herein.

(c)**Fees and Expenses.** Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery, and performance of this Agreement and the other Transaction Documents.

Section 6. **Miscellaneous.**

(a)**Successors and Assigns.** This Agreement is not transferable or assignable by the Investor without the prior written consent of the Partnership. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and the respective successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party, other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as set forth in Section 5(b) of this Agreement or otherwise expressly provided herein.

(b)**Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

(c)**Notices.** All notices or other communications to be given or made hereunder to the Investor shall be in writing and may be hand delivered or sent by fax, certified or registered mail, postage prepaid, e-mail, or by a private overnight delivery service to the Investor's address set forth below.

(d)**Amendments and Waivers.** Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Partnership and the Investor. Any amendment or waiver effected in accordance with this paragraph shall be binding upon Investor and the Partnership.

Exchange Agreement

(e)**Severability.** If any term, provision, covenant, or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void, or unenforceable, the remainder of the terms, provisions, covenants, and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired, or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant, or restriction.

(f)**Entire Agreement.** This Agreement contains the entire agreement and understanding of the parties with respect to its subject matter and supersedes all prior agreements and understandings between the parties with respect to their subject matter.

(g)**Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which taken together shall constitute one and the same Agreement, it being understood that the parties need not sign the same counterpart. In the event that any signature on this Agreement or any instrument pursuant to Section 6(d) hereof is delivered by e-mail delivery of a “.pdf” format data file, such signature shall create a legally valid and binding obligation of the executing party (or on whose behalf such signature is executed) with the same force and effect as if such “.pdf” signature page was an original thereof.

(h)**Interpretation.** Unless the context of this Agreement clearly requires otherwise, (i) references to the plural include the singular, the singular the plural, the part the whole, (ii) references to any gender include all genders, (iii) “including” has the inclusive meaning frequently identified with the phrase “but not limited to,” and (iv) references to “hereunder” or “herein” relate to this Agreement.

(i)**Survival.** The representations, warranties, and covenants of the Partnership and the Investor contained herein shall survive the Closing and issuance of the Exchange Securities.

(j)**WAIVER OF JURY TRIAL.** IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, EACH PARTY HEREBY KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY, AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

[Remainder of Page Intentionally Left Blank]

Exchange Agreement

IN WITNESS WHEREOF, the parties have executed this Exchange Agreement as of the date first set forth above.

THE PARTNERSHIP:

AMERICA FIRST MULTIFAMILY INVESTORS, L.P.
By: America First Capital Associates Limited Partnership Two, its General Partner
By: Greystone AF Manager LLC, its General Partner

By: _ Ken Rogozinski, CEO

INVESTOR:

Name of Investor: Banc of California, National Association
Address of Investor: 3 MacArthur Place, Santa Ana, CA 92707
Signature of Authorized Signatory:
Name and Title of Authorized Signatory: Lynn Hopkins
Chief Financial Officer
Number of Existing Securities Held by Investor: 1,000,000
Number of Series A-1 Preferred Units Issued to Investor: 1,000,000
Aggregate Amount of Investment: \$10,000,000
Date Signed by Investor: October 1, 2022

SELECTION OF DESIGNATED TARGET REGION:

The Investor indicated above hereby selects the following as the Designated Target Region for the Investor's investment:

Complete One:

The State of

The multi-state region including

The metropolitan area(s) of

Los Angeles

The entire United States

Exchange Agreement

The Investor may also request an allocation of capital to specific investments already within the portfolio. Such requests to be allocated as according to the “*CRA Credit Allocation Methodology*” set forth in the prospectus (the “Prospectus”) that is made part of the Registration Statement and subject to confirmation by the General Partner.

Property Name	State	County	Allocation Request Amount
Hope on Avalon	CA	Los Angeles	\$10,000,000

TOTAL: \$10,000,000

By signing this Agreement, the Investor acknowledges reading and agrees to the provisions set forth in the section captioned “*CRA Credit Allocation Methodology*” of the Prospectus. The Investor acknowledges that the General Partner provides no guarantee that the Investor will receive CRA credit for its investment in the Series A-1 Preferred Units.

Exchange Agreement

Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kenneth C. Rogozinski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of America First Multifamily Investors, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022

By /s/ Kenneth C. Rogozinski
Kenneth C. Rogozinski
Chief Executive Officer
America First Multifamily Investors, L.P.

Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jesse A. Coury, certify that:

1. I have reviewed this quarterly report on Form 10-Q of America First Multifamily Investors, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in the report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2022

By /s/ Jesse A. Coury
Jesse A. Coury
Chief Financial Officer
America First Multifamily Investors, L.P.

Certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Kenneth C. Rogozinski, Chief Executive Officer of America First Multifamily Investors, L.P. (the "Partnership"), certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Partnership for the quarter ended September 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: November 3, 2022

/s/ Kenneth C. Rogozinski
Kenneth C. Rogozinski
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to America First Multifamily Investors, L.P. and will be retained by America First Multifamily Investors, L.P. and furnished to the Securities and Exchange Commission or its staff upon request.

Certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Jesse A. Coury, Chief Financial Officer of America First Multifamily Investors, L.P. (the "Partnership"), certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1)The Quarterly Report on Form 10-Q of the Partnership for the quarter ended September 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2)The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: November 3, 2022

/s/ Jesse A. Coury
Jesse A. Coury
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to America First Multifamily Investors, L.P. and will be retained by America First Multifamily Investors, L.P. and furnished to the Securities and Exchange Commission or its staff upon request.
