



Institutional Wealth Management
Corporate Trust Department

NOTICE OF CERTAIN MATERIAL EVENTS AND RELATED MATTERS

**ALL DEPOSITORIES, NOMINEES, BROKERS AND OTHERS:
PLEASE FACILITATE THE TRANSMISSION OF THIS NOTICE
TO ALL BENEFICIAL HOLDERS IMMEDIATELY.
ADDITIONAL COPIES OF THIS NOTICE ARE AVAILABLE UPON REQUEST**

**To: Tulsa County Industrial Authority Multifamily Housing
Revenue Bonds (AHF Affordable Housing Portfolio)
Series 2003B (CUSIP #899522DA1)* (the "Bonds")**

Re: Notice Regarding Notice from IRS Notification of Final Adverse Determination

BOKF, NA d/b/a Bank of Oklahoma, formerly Bank of Oklahoma, N.A., (the "**Trustee**") served as Trustee under the Trust Indenture dated as of December 1, 2003, and amended as of December 1, 2004 (the "**Indenture**") between Tulsa County Industrial Authority (the "**Issuer**") and the Trustee, under which the Issuer issued its Tulsa County Industrial Authority Multifamily Housing Revenue Bonds (AHF Affordable Housing Portfolio) Series 2003B (the "**Bonds**"). Pursuant to a Loan Agreement dated as of December 1, 2003 (the "**Loan Agreement**"), the Issuer loaned the proceeds of the Bonds to AHF Tulsa, LLC (the "**Project Owner**") until November 22, 2011, when the bonds were deemed worthless and cancelled.

See the attached letter regarding **Notification of Final Adverse Determination from the Internal Revenue Service revoking the tax exempt status of the bonds retroactively to January 1, 2006.**

If you have any questions about this notice you may contact the Trustee at the following address:

BOKF, NA d/b/a Bank of Oklahoma, formerly Bank of Oklahoma, N.A.
Attn: Judy Foster
Corporate Trust Division
One Williams Center
Tulsa, Oklahoma 74172
Phone: 918.588.6451
Email: jefoster@bokf.com

Dated: March 30, 2015

Internal Revenue Service

Department of the Treasury

Tulsa County Industrial Authority
c/o John Smaligo, Chairman
Tulsa County Administration Bldg
500 South Denver Avenue
Tulsa, OK 74103

Date:

March 17, 2015

Contact Person:

Terri Wong

Employee ID Number:

1000249941

Contact Telephone Number:

(415) 837-6676

Contact Address:

Internal Revenue Service

Attn.: TEGE: TEB 7222: Terri Wong

450 Golden Gate Ave., MS 7401

San Francisco, CA 94102

Employer Identification Number:

52-1526494

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Re: Notification of Final Adverse Determination

\$35,000,000 Tulsa County Industrial Authority Multifamily Housing Revenue Bonds
(AHF Affordable Housing Portfolio) Series 2003B

Dear Sir or Madam:

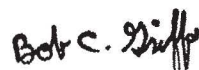
This is to inform you that, with respect to the Bond Issue(s) named above (the "Bonds"), the proposed adverse determination issued to you on December 19, 2014 has become final. As a result, the interest paid to the beneficial owners of the Bonds is not excludable from gross income under section 103 of the Internal Revenue Code.

You should advise the appropriate paying agents to report the interest as taxable to the past, present and future beneficial owners of the Bonds. Additionally, corrected information returns, Form 1099, must also be filed with the IRS and issued to the bondholders as required under section 6049 of the Internal Revenue Code.

If you have any questions concerning this matter, please contact the person whose name and phone number are shown on this letter.

Thank you for your cooperation.

Sincerely,



Bob C. Griffo
Acting Manager, Tax Exempt Bonds
Field Operations

cc: John D. Weidman
Charles S. Henck

Internal Revenue Service

Department of the Treasury

Tulsa County Industrial Authority
c/o John Smaligo, Chairman
500 S. Denver Room 121
Tulsa, OK 74103

Date:

December 19, 2014

Contact Person:

Terri Wong

Employee ID Number:

1000249941

Contact Telephone Number:

415-837-6676

Contact Address:

Internal Revenue Service

attn: TEGE: TEB 7222: Terri Wong

450 Golden Gate Ave., MS 7401

San Francisco, CA 94102

Employer Identification Number:

52-1526494

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Re: Proposed Adverse Determination

\$35,000,000 Tulsa County Industrial Authority Multifamily Housing Revenue Bonds
(AHF Affordable Housing Portfolio) Series 2003B

Dear Sir or Madam:

This is to inform you that we have concluded our examination of the Bond Issue(s) named above (the "Bonds"). We have made a proposed determination that the interest paid to beneficial owners of the Bonds is not excludable from gross income under section 103 of the Internal Revenue Code. The enclosed explanation provides the facts, law and analysis on which this proposed determination is based.

We encourage you to immediately contact the person named above regarding negotiations to resolve problems with the Bonds through a closing agreement. This may be your last opportunity to conduct settlement negotiations with this office.

Alternatively, you may formally respond to this proposed determination by requesting an administrative appeal of your case to the Office of Appeals of the Internal Revenue Service (IRS). The Office of Appeals is separate and independent of the IRS office that made this proposed adverse determination with respect to the Bonds. The administrative appeals process is explained in Revenue Procedure 2006-40, 2006-42 I.R.B. 694.

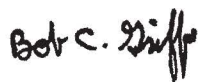
If you decide to request an Appeals review, you must submit your request in writing within 30 days of the date of this letter. Your request must include a detailed written response to this proposed adverse determination and include any further explanation of your position regarding the issue(s) in dispute. The request for an appeal should be sent to the address in the heading of this letter.

If you do not respond in writing within 30 days of the date of this letter, you will forfeit your opportunity to participate in the administrative appeals process and our proposed determination becomes final. At such time, you should advise the appropriate paying agents to report the interest as taxable to the past, present and future beneficial owners of the Bonds. Additionally, corrected information returns, Form 1099, must also be filed with the IRS and issued to the bondholders as required under section 6049 of the Internal Revenue Code.

If you have any questions concerning this matter, please contact the person whose name and phone number are shown on this letter.

Thank you for your cooperation.

Sincerely,



Bob C. Griffo
Acting Manager, Tax Exempt Bonds
Field Operations

Enclosures:

Explanation of Proposed Adverse Determination

IRS Publication 5, *Your Appeal Rights and How to Prepare a Protest If You Don't Agree*

cc: John D. Weidman
Charles S. Henck

EXPLANATION OF PROPOSED ADVERSE DETERMINATION

Tulsa County Industrial Authority Multi-family Housing Revenue (AHF Affordable Housing Portfolio) Series 2003B

The Tulsa County Industrial Authority (the "Issuer") issued \$ 35,000,000 Multi-Family Housing Revenue Bonds (AHF Affordable Housing Portfolio) Series 2003B on December 23, 2003 (the "Bond"). The Bonds were variable rate auction Bonds with a stated final maturity date of January 1, 2039. The Issuer loaned the Bond proceeds to AHF Tulsa LLC, a wholly owned subsidiary of American Housing Foundation, (the "Borrower" or "AHF"), a section 501(c)(3) organization. The proceeds of the Bonds were allocated to the purchase of three apartment complexes in Tulsa, Oklahoma.

AHF was established in 1989 as a section 501(c)(3) non-profit corporation in Texas. AHF's charitable purpose was to provide affordable housing for low and moderate income families. AHF owned and operated, directly or indirectly, over 13,000 residential units in Arizona, Florida, Georgia, Mississippi, North Carolina, Oklahoma, South Carolina and Texas.

Announcement 2014-39, 2014-51 IRB 953 published December 15, 2014 lists American Housing Foundation, the conduit borrower in this bond issuance, as having its Internal Revenue Code section 501(c)(3) tax exempt status retroactively revoked to January 1, 2006.

Disposition of Assets and Bonds:

AHF entered into a bankruptcy settlement with certain creditors. The bankruptcy settlement transferred the three apartment complexes purchased with the proceeds of the Bonds to the creditors by Special Warranty Deed and Bill of Sale in Lieu of Foreclosure, effective October 3, 2011.

The Notice of Bond Cancellation dated November 22, 2011, relating to the \$ 35,000,000 Multi-Family Housing Revenue Bonds (AHF Affordable Housing Portfolio) Series 2003B, states there are no assets remaining for distribution to the holders of the Bonds. The Bonds are thus deemed worthless and will be cancelled.

Law:

Internal Revenue Code ("IRC") § 103(a)¹ provides, in general, that gross income does not include interest on any state or local bond.

Treasury Regulations section 1.145-1 provides interest on a private activity bond is not excludable from gross income under section 103(a) unless the bond is a qualified bond.

Treasury Regulations section 1.145-2(a) states an issue ceases to be an issue of qualified 501(c)(3) bonds if the Issuer or a conduit borrower 501(c)(3) organization takes a deliberate action, subsequent to the issue date, that causes the issue to fail to comply with the requirements of section 141(e) and 145 (such as an action that results in revocation of exempt status of the 501(c)(3) organization).

¹ All references to the Code are to the Internal Revenue Code of 1986 unless otherwise indicated.

EXPLANATION OF PROPOSED ADVERSE DETERMINATION

Tulsa County Industrial Authority Multi-family Housing Revenue (AHF Affordable Housing Portfolio) Series 2003B

Conclusion on the Exempt Status:

As a result of the facts and circumstances noted above, the Bonds ceased to be a qualified 501(c)(3) bonds under the application of Treasury Regulations section 1.145-2. Announcement 2014-39, 2014-51 IRB 953 published December 15, 2014 lists American Housing Foundation, the conduit borrower in this bond issuance, as having its Internal Revenue Code section 501(c)(3) tax exempt status retroactively revoked to January 1, 2006.

Your Appeal Rights and How To Prepare a Protest If You Don't Agree



Department of the Treasury
Internal Revenue Service

www.irs.ustreas.gov

Publication 5 (Rev. 01-1999)
Catalog Number 46074I

Introduction

This Publication tells you how to appeal your tax case if you don't agree with the Internal Revenue Service (IRS) findings.

If You Don't Agree

If you don't agree with any or all of the IRS findings given you, you may request a meeting or a telephone conference with the supervisor of the person who issued the findings. If you still don't agree, you may appeal your case to the Appeals Office of IRS.

If you decide to do nothing and your case involves an examination of your income, estate, gift, and certain excise taxes or penalties, you will receive a formal Notice of Deficiency. The Notice of Deficiency allows you to go to the Tax Court and tells you the procedure to follow. If you do not go to the Tax Court, we will send you a bill for the amount due.

If you decide to do nothing and your case involves a trust fund recovery penalty, or certain employment tax liabilities, the IRS will send you a bill for the penalty. If you do not appeal a denial of an offer in compromise or a denial of a penalty abatement, the IRS will continue collection action.

If you don't agree, we urge you to appeal your case to the Appeals Office of IRS. The Office of Appeals can settle most differences without expensive and time-consuming court trials. [Note: Appeals can not consider your reasons for not agreeing if they don't come within the scope of the tax laws (for example, if you disagree solely on moral, religious, political, constitutional, conscientious, or similar grounds.)]

The following general rules tell you how to appeal your case.

Appeals Within the IRS

Appeals is the administrative appeals office for the IRS. You may appeal most IRS decisions with your local Appeals Office. The Appeals Office is separate from - and independent of - the IRS Office taking the action you disagree with. The Appeals Office is the only level of administrative appeal within the IRS.

Conferences with Appeals Office personnel are held in an informal manner by correspondence, by telephone or at a personal conference. There is no need for you to have representation for an Appeals conference, but if you choose to have a representative, see the requirements under **Representation**.

If you want an Appeals conference, follow the instructions in our letter to you. Your request will be sent to the Appeals Office to arrange a conference at a convenient time and place. You or your representative should prepare to discuss all issues you don't agree with at the conference. Most differences are settled at this level.

In most instances, you may be eligible to take your case to court if you don't reach an agreement at your Appeals conference, or if you don't want to appeal your case to the IRS Office of Appeals. See the later section *Appeals To The Courts*.

Protests

When you request an appeals conference, you may also need to file a formal written protest or a small case request with the office named in our letter to you. Also, see the special appeal request procedures in Publication 1660, Collection Appeal Rights, if you disagree with lien, levy, seizure, or denial or termination of an installment agreement.

You need to file a written protest:

- In all employee plan and exempt organization cases without regard to the dollar amount at issue.
- In all partnership and S corporation cases without regard to the dollar amount at issue.
- In all other cases, unless you qualify for the small case request procedure, or other special appeal procedures such as requesting Appeals consideration of liens, levies, seizures, or installment agreements. See Publication 1660.

How to prepare a protest:

When a protest is required, **send it within the time limit specified in the letter you received.** Include in your protest:

- 1) Your name and address, and a daytime telephone number,
- 2) A statement that you want to appeal the IRS findings to the Appeals Office,
- 3) A copy of the letter showing the proposed changes and findings you don't agree with (or the date and symbols from the letter),
- 4) The tax periods or years involved,
- 5) A list of the changes that you don't agree with, and why you don't agree.

- 6) The facts supporting your position on any issue that you don't agree with,
- 7) The law or authority, if any, on which you are relying.
- 8) You must sign the written protest, stating that it is true, under the penalties of perjury as follows:

"Under the penalties of perjury, I declare that I examined the facts stated in this protest, including any accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete."

If your representative prepares and signs the protest for you, he or she must substitute a declaration stating:

- 1) That he or she submitted the protest and accompanying documents and
- 2) Whether he or she knows personally that the facts stated in the protest and accompanying documents are true and correct.

We urge you to provide as much information as you can, as this will help us speed up your appeal. This will save you both time and money.

Small Case Request:

If the total amount for any tax period is not more than \$25,000, you may make a small case request instead of filing a formal written protest. In computing the total amount, include a proposed increase or decrease in tax (including penalties), or claimed refund. For an offer in compromise, in calculating the total amount, include total unpaid tax, penalty and interest due. For a small case request, follow the instructions in our letter to you by: sending a letter requesting Appeals consideration, indicating the changes you don't agree with, and the reasons why you don't agree.

Representation

You may represent yourself at your appeals conference, or you may have an attorney, certified public accountant, or an individual enrolled to practice before the IRS represent you. Your representative must be qualified to practice before the IRS. If you want your representative to appear without you, you must provide a properly completed power of attorney to the IRS before the representative can receive or inspect confidential information. Form 2848, Power of Attorney and Declaration of Representative, or any other properly written power of attorney or authorization may be used for this

purpose. You can get copies of Form 2848 from an IRS office, or by calling 1-800-TAX-FORM (1-800-829-3676).

You may also bring another person(s) with you to support your position.

Appeals To The Courts

If you and Appeals don't agree on some or all of the issues after your Appeals conference, or if you skipped our appeals system, you may take your case to the United States Tax Court, the United States Court of Federal Claims, or your United States District Court, after satisfying certain procedural and jurisdictional requirements as described below under each court. (However, if you are a nonresident alien, you cannot take your case to a United States District Court.) These courts are independent judicial bodies and have no connection with the IRS.

Tax Court

If your disagreement with the IRS is over whether you owe additional income tax, estate tax, gift tax, certain excise taxes or penalties related to these proposed liabilities, you can go to the United States Tax Court. (Other types of tax controversies, such as those involving some employment tax issues or manufacturers' excise taxes, cannot be heard by the Tax Court.) You can do this after the IRS issues a formal letter, stating the amounts that the IRS believes you owe. This letter is called a notice of deficiency. You have 90 days from the date this notice is mailed to you to file a petition with the Tax Court (or 150 days if the notice is addressed to you outside the United States). The last date to file your petition will be entered on the notice of deficiency issued to you by the IRS. If you don't file the petition within the 90-day period (or 150 days, as the case may be), we will assess the proposed liability and send you a bill. You may also have the right to take your case to the Tax Court in some other situations, for example, following collection action by the IRS in certain cases. See Publication 1660.

If you discuss your case with the IRS during the 90-day period (150-day period), the discussion will not extend the period in which you may file a petition with the Tax Court.

The court will schedule your case for trial at a location convenient to you. You may represent yourself before the Tax Court, or you may be represented by anyone permitted to practice before that court.

Note: If you don't choose to go to the IRS Appeals Office before going to court, normally you will have an opportunity to attempt settlement with Appeals before your trial date.

If you dispute not more than \$50,000 for any one tax year, there are simplified procedures. You can get information about these procedures and

other matters from the Clerk of the Tax Court, 400 Second St. NW, Washington, DC 20217.

Frivolous Filing Penalty

Caution: If the Tax Court determines that your case is intended primarily to cause a delay, or that your position is frivolous or groundless, the Tax Court may award a penalty of up to \$25,000 to the United States in its decision.

District Court and Court of Federal Claims

If your claim is for a refund of any type of tax, you may take your case to your United States District Court or to the United States Court of Federal Claims. Certain types of cases, such as those involving some employment tax issues or manufacturers' excise taxes, can be heard only by these courts.

Generally, your District Court and the Court of Federal Claims hear tax cases only after you have paid the tax and filed a claim for refund with the IRS. You can get information about procedures for filing suit in either court by contacting the Clerk of your District Court or the Clerk of the Court of Federal Claims.

If you file a formal refund claim with the IRS, and we haven't responded to you on your claim within 6 months from the date you filed it, you may file suit for a refund immediately in your District Court or the Court of Federal Claims. If we send you a letter that proposes disallowing or disallows your claim, you may request Appeals review of the disallowance. If you wish to file a refund suit, you must file your suit no later than 2 years from the date of our notice of claim disallowance letter.

Note: Appeals review of a disallowed claim doesn't extend the 2 year period for filing suit. However, it may be extended by mutual agreement.

Recovering Administrative and Litigation Costs

You may be able to recover your reasonable litigation and administrative costs if you are the prevailing party, and if you meet the other requirements. You must exhaust your administrative remedies within the IRS to receive reasonable litigation costs. You must not unreasonably delay the administrative or court proceedings.

Administrative costs include costs incurred on or after the date you receive the Appeals decision letter, the date of the first letter of proposed deficiency, or the date of the notice of deficiency, whichever is earliest.

Recoverable litigation or administrative costs may include:

- Attorney fees that generally do not exceed \$125 per hour. This amount will be indexed for a cost of living adjustment.

- Reasonable amounts for court costs or any administrative fees or similar charges by the IRS.

- Reasonable expenses of expert witnesses.

- Reasonable costs of studies, analyses, tests, or engineering reports that are necessary to prepare your case.

You are the prevailing party if you meet all the following requirements:

- You substantially prevailed on the amount in controversy, or on the most significant tax issue or issues in question.
- You meet the net worth requirement. For individuals or estates, the net worth cannot exceed \$2,000,000 on the date from which costs are recoverable. Charities and certain cooperatives must not have more than 500 employees on the date from which costs are recoverable. And taxpayers other than the two categories listed above must not have net worth exceeding \$7,000,000 and cannot have more than 500 employees on the date from which costs are recoverable.

You are not the prevailing party if:

- The United States establishes that its position was substantially justified. If the IRS does not follow applicable published guidance, the United States is presumed to not be substantially justified. This presumption is rebuttable. Applicable published guidance means regulations, revenue rulings, revenue procedures, information releases, notices, announcements, and, if they are issued to you, private letter rulings, technical advice memoranda and determination letters. The court will also take into account whether the Government has won or lost in the courts of appeals for other circuits on substantially similar issues, in determining if the United States is substantially justified.

You are also the prevailing party if:

- The final judgment on your case is less than or equal to a "qualified offer" which the IRS rejected, and if you meet the net worth requirements referred to above.

A court will generally decide who is the prevailing party, but the IRS makes a final determination of liability at the administrative level. This means you may receive administrative costs from the IRS without going to court. You must file your claim for administrative costs no later than the 90th day after the final determination of tax, penalty or interest is mailed to you. The Appeals Office makes determinations for the IRS on administrative costs. A denial of administrative costs may be appealed to the Tax Court no later than the 90th day after the denial.