

*In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes, except that no opinion is expressed as to such exclusion of interest on any Bond during the period when the Bonds are held by a “substantial user” of the facilities financed by the Bonds or a “related person” within the meaning of Section 147(a) of the Internal Revenue Code of 1986 (the “Code”). Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. In addition, in the opinion of Bond Counsel, under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes. See “TAX MATTERS” herein.*

**\$14,975,000****COMMUNITY DEVELOPMENT ADMINISTRATION****Multifamily Development Revenue Bonds****(Sustainability Bonds)<sup>†</sup>****(Roslyn Rise 4%)****Series 2022 E-1****(MTEBS)****Dated: August 1, 2022****Interest Rate: 4.15%****Maturity Date: March 1, 2043****Offering Price: 100%****CUSIP: 20364N AN7<sup>††</sup>****\$975,000****COMMUNITY DEVELOPMENT ADMINISTRATION****Multifamily Development Revenue Bonds****(Sustainability Bonds)<sup>†</sup>****(Roslyn Rise 4%)****Series 2022 E-2****(Cash-Collateralized)****Dated: Date of Delivery****Interest Rate: 2.75%****Maturity Date: November 1, 2024****Offering Price: 100%****CUSIP: 20364N AP2<sup>††</sup>**

The Community Development Administration (the “**Administration**”), a unit of the Division of Development Finance of the Department of Housing and Community Development (the “**Department**”), a principal department of the State of Maryland (the “**State**”), is issuing its Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%) Series 2022 E-1 (MTEBS) (the “**Long Term Bonds**”) and its Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%) Series 2022 E-2 (Cash-Collateralized) (the “**Short Term Bonds**,” and together with the Long Term Bonds, the “**Bonds**”), under and pursuant to a Trust Indenture (the “**Indenture**”) between the Administration and Wilmington Trust, National Association, as trustee (the “**Trustee**”).

The Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as securities depository of the Bonds. Individual purchases of the Long Term Bonds will be made in book-entry form only, in denominations of \$1,000 and integral multiples of \$1.00 in excess thereof. Individual purchases of the Short Term Bonds will be made in book-entry form only, in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. Principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds, as described under APPENDIX F – “BOOK-ENTRY SYSTEM” herein.

The Bonds are being issued to finance the acquisition, construction and equipping of a 94-unit multifamily residential rental facility known as Roslyn Rise 4% (the “**Project**”). The Administration has designated the Bonds as “Sustainability Bonds.” See “INTRODUCTION – Sustainability Bond Designation” and “APPENDIX J — SUSTAINABILITY BONDS DESIGNATION” herein.

The Borrower has received a Lender Commitment, dated as of July 7, 2022 (the “**Lender Commitment**”) from Bellwether Enterprise Mortgage Investments, LLC (the “**Lender**”), which has agreed to originate a Mortgage Loan (as defined herein) upon and subject to satisfaction of certain conditions set forth in the Lender Commitment. The Borrower anticipates that the Project could support additional debt in excess of the Bonds upon Conversion if certain conditions of the Lender are satisfied. See APPENDIX H – “THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET” hereto. In the event the Mortgage Loan is originated, the Lender will deliver, or cause to be delivered, the MBS to the Trustee, and concurrently therewith, pursuant to the terms of the Indenture, the Trustee will use amounts on deposit in the Long Term Bond Collateral Account, the Long Term Bond Proceeds Account and the Long Term Bond Revenue Account of the Indenture to purchase the MBS, if and when issued, and the MBS will then secure the payment of the principal of and interest on the Long Term Bonds. If the MBS is not delivered on or before the MBS Delivery Date Deadline (as defined herein), then Eligible Funds in the Long Term Bond Collateral Account will be used to redeem the Long Term Bonds as set forth herein.

The Long Term Bonds will be secured (i) prior to the MBS Delivery Date (as defined herein), by Eligible Funds on deposit in the Long Term Bond Revenue Account, the Long Term Bond Collateral Account and the Long Term Bond Proceeds Account, as applicable, of the Indenture, along with the investment earnings thereon and (ii) on and after the MBS Delivery Date, by a mortgage-backed pass-through certificate (the “**MBS**”) purchased by the Trustee and guaranteed as to timely payment of principal and interest by the Federal National Mortgage Association (“**Fannie Mae**”), if and when issued. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Short Term Bonds will be secured by Eligible Investments and Eligible Funds sufficient, without the need for reinvestment, to pay, respectively, all of the interest on the Short Term Bonds when due and the principal of the Short Term Bonds on their respective dates of maturity, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE SHORT TERM BONDS” herein.

In addition to the redemption of the Long Term Bonds in the event that the MBS is not delivered before the MBS Delivery Date, the Bonds are also subject to mandatory redemption in whole or in part as further described herein. See “APPENDIX C SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Redemption.”

The aggregate principal amount, aggregate face amount, maturity date, interest rate and delivery date for the Bonds shall be as set forth in the Indenture and, with respect to the Long Term Bonds, shall be described in the Term Sheet set forth in APPENDIX H hereto delivered in connection with the sale of the Bonds.



Prior to the MBS Delivery Date, interest on the Long Term Bonds will be payable monthly on the 26th day of the month, or the next succeeding Business Day if such 26th day is not a Business Day, commencing September 26, 2022, until and including the 26th day of the month in which the MBS Delivery Date (as defined herein) occurs. Commencing on the first month after the month the MBS Delivery Date occurs, interest will be payable on the first Business Day following receipt of a payment representing interest under the MBS. Interest on the Short Term Bonds will be payable on each November 1 and May 1, commencing November 1, 2022, and on their date of maturity. Principal and interest on the Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, which will be responsible for remitting such principal and interest to the Beneficial Owners of the Bonds, as described under “APPENDIX F – BOOK-ENTRY SYSTEM” herein.

**The Bonds are special obligations of the Administration, payable solely from the moneys provided under the Indenture and pledged therefor. The Administration has no taxing power. The Bonds do not constitute a debt of the State, any political subdivision thereof, the Administration or the Department, or a pledge of the faith, credit or taxing power of the State, any political subdivision thereof, the Administration or the Department.**

*The Bonds are offered when, as and if received by Wells Fargo Bank, National Association, as representative of itself and Jefferies LLC (collectively, the “**Underwriters**”) subject to the delivery of an approving opinion by Kutak Rock LLP, Washington D.C., Bond Counsel. Certain legal matters will be passed upon for the Administration by an Assistant Attorney General of the State of Maryland as Counsel to the Department. Certain legal matters will be passed upon for the Borrower by its counsel, Klein Hornig LLP, Washington, D.C., and for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York. It is expected that the Bonds will be available in book-entry form through the facilities of DTC in New York, New York on or about August 11, 2022.*

**Wells Fargo Securities****Jefferies LLC**

Dated: July 26, 2022

<sup>†</sup> The Bonds are being issued pursuant to the Administration’s sustainability standards, which are based on the Maryland Qualified Allocation Plan and Multifamily Rental Financing Program Guide, not pursuant to Fannie Mae’s Social, Green and Sustainable MBS Framework. See “THE ADMINISTRATION – Green Standards” herein.

<sup>††</sup> CUSIP is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the ABA by FactSet Research Systems Inc. CUSIP numbers have been assigned by an independent company not affiliated with the Administration and are included solely for the convenience of the holders of the Bonds. The Administration is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions.

No dealer, broker, salesman or other person has been authorized by the Administration or the Underwriters to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

Prospective purchasers must read this entire Official Statement (including the cover page and all appendices hereto) to obtain all of the information essential to the making of an informed investment decision.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Neither the Administration nor the Underwriter has been able to verify the accuracy or completeness of the information contained in web site addresses set forth in this Official Statement or to verify that such information is accurate and complete as of the date of this Official Statement. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of this Official Statement.

The information set forth herein has been obtained from the Borrower, the Administration and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borrower, the Administration or any other parties described herein since the date as of which such information is presented. This Official Statement is not to be construed as a contract or agreement between the Administration and the purchasers or owners of any of the Bonds.

In connection with this offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

Fannie Mae has not reviewed or undertaken to determine the accuracy of any of the information contained in this Official Statement, other than providing a link to the template Fannie Mae MBS Prospectus in APPENDIX A and the Additional Disclosure Addendum in Schedule I to APPENDIX A, and makes no representation or warranty, express or implied, as to any of the other matters contained in this Official Statement, including, but not limited to (i) the accuracy or completeness of such information, (ii) the suitability of the Bonds for any investor, (iii) the feasibility or performance of any project, (iv) the structure, provisions or terms of the Bonds and any cash flows related thereto, or (v) compliance with any securities, tax or other laws or regulations including but not limited to the validity of the Bonds and the tax-exempt status of the Bonds. Fannie Mae's role with respect to the Bonds is limited to issuing and discharging its obligations under the MBS if and when delivered. No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission (the "**Commission**") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

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

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## OFFICIAL STATEMENT

relating to

**\$14,975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)<sup>†</sup>**  
**(Roslyn Rise 4%)**  
**Series 2022 E-1**  
**(MTEBS)**

**\$975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)<sup>†</sup>**  
**(Roslyn Rise 4%)**  
**Series 2022 E-2**  
**(Cash-Collateralized)**

## INTRODUCTION

This Official Statement (which includes the cover page and appendices hereto) provides certain information in connection with the issuance and sale by the Community Development Administration (the “**Administration**”), a unit of the Division of Development Finance of the Department of Housing and Community Development (the “**Department**”), a principal department of the State of Maryland (the “**State**”), of its Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%) Series 2022 E-1 (MTEBS) (the “**Long Term Bonds**”) and its Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%) Series 2022 E-2 (Cash-Collateralized) (the “**Short Term Bonds**,” and together with the Long Term Bonds, the “**Bonds**”), under and pursuant to a Trust Indenture (the “**Indenture**”), between the Administration and Wilmington Trust, National Association, as trustee (the “**Trustee**”). The Administration is authorized to issue the Bonds pursuant to the Indenture and Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the “**Act**”).

Pursuant to the Indenture and the Financing Agreement (the “**Financing Agreement**”), between the Administration and Roslyn Rise Four, LLC (the “**Borrower**”), the Administration will apply the proceeds of the Bonds to provide financing for a multifamily rental housing facility known as Roslyn Rise 4% (the “**Project**”) as further described herein and in a term sheet (the “**Term Sheet**”) set forth in APPENDIX H – “THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET” hereto. The issuance of the Bonds will facilitate the construction of the Project and the delivery of a MBS (as defined below) guaranteed by the Federal National Mortgage Association (“**Fannie Mae**”). The Administration is issuing the Bonds as Sustainability Bonds based on the intended use of proceeds of the Bonds to finance the Project that is expected to provide affordable housing incorporating energy efficiency standards and features. See “INTRODUCTION – Sustainability Bonds Designation,” APPENDIX H – “THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET – Sustainability Bonds Designation” and APPENDIX J — “SUSTAINABILITY BONDS DESIGNATION” herein.

All capitalized terms used in this Official Statement that are not defined herein shall have the respective meanings set forth in the Indenture. See APPENDIX B – “DEFINITIONS OF CERTAIN TERMS.”

### The Long Term Bonds

The Long Term Bonds will be issued to finance the Project. The permanent financing of the Project will be facilitated through the purchase by the Trustee of mortgage-backed pass-through certificates (the “**MBS**”) and guaranteed as to timely payment of principal and interest by Fannie Mae, if and when issued. The MBS will not be available for purchase on the date of issuance of the Long Term Bonds (the “**Closing Date**”) but is expected to be available for acquisition by the Trustee on the date of delivery by Fannie Mae of the MBS for the Project (the “**MBS Delivery Date**”) specified in the Term Sheet. The MBS Delivery Date will occur after completion of construction of the Project. The MBS will be backed by a 17-year, fixed-rate mortgage loan (the “**Mortgage Loan**”), amortizing over a 35-year term, secured by a mortgage constituting a first lien on the Project. The MBS will be secured by the Mortgage Loan. See “SECURITY AND SOURCES OF PAYMENT FOR THE LONG TERM BONDS” and “THE MORTGAGE LOAN” herein and APPENDIX A — “FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM” attached hereto.

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<sup>†</sup> The Bonds are being issued pursuant to the Administration’s sustainability standards, which are based on the Maryland Qualified Allocation Plan and Multifamily Rental Financing Program Guide, not pursuant to Fannie Mae’s Social, Green and Sustainable MBS Framework. See “THE ADMINISTRATION – Green Standards” herein.

On the Closing Date, and prior to the MBS Delivery Date, the Long Term Bonds will be secured by (i) the proceeds of the Long Term Bonds equal to the principal amount thereof delivered to the Trustee and deposited into the Long Term Bond Proceeds Account established under the Indenture and (ii) Eligible Funds (including, without limitation, the proceeds of the Construction Loan as discussed herein) delivered to the Trustee and deposited into the Long Term Bond Collateral Account and the Long Term Bond Interest Deposit Subaccount established under the Indenture in an amount equal to the interest on the Long Term Bonds at the pass-through rate for the period from the Bond Dated Date (as specified in the Term Sheet) to, but not including, the date that is five (5) calendar days after the MBS Delivery Date Deadline (the “**Long Term Bond Collateral**”).

Prior to the MBS Delivery Date, the Borrower will, from time to time, cause Bank of America, N.A. (the “**Construction Lender**”) to deposit proceeds of the Construction Loan into the Long Term Bond Collateral Account of the Collateral Fund established under the Indenture, to allow the Trustee to disburse a like amount from the Long Term Bond Proceeds Account to the Borrower for Project Costs pursuant to the terms of the Indenture. Prior to the MBS Delivery Date, the principal of, premium, if any, and interest on the Long Term Bonds will be paid from amounts on deposit in the Long Term Bond Revenue Account and the Long Term Bond Proceeds Account of the Indenture along with the investment earnings thereon. Following the MBS Delivery Date, the Long Term Bonds will be secured by, and the principal of and interest thereon will be paid from, payments made under the MBS. See “SECURITY AND SOURCES OF PAYMENT FOR THE LONG TERM BONDS” herein.

The Borrower has received a Lender Commitment, dated as of July 7, 2022 (the “**Lender Commitment**”) from Bellwether Enterprise Mortgage Investments, LLC (the “**Lender**”), the Fannie Mae-approved lender of the Mortgage Loan, pursuant to which the Lender has agreed, subject to the conditions set forth therein, to originate the Mortgage Loan to the Borrower. See “THE MORTGAGE LOAN” herein. The Borrower anticipates that the Project could support additional debt in excess of the Bonds upon Conversion if certain conditions of the Lender are satisfied. See APPENDIX H – “THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET” hereto. In the event the Mortgage Loan is originated, the Trustee will use Eligible Funds on deposit in the Long Term Bond Proceeds Account of the Indenture, together with Eligible Funds on deposit in other Funds and Accounts authorized under the Indenture, to purchase the MBS, which will then secure the payment of the Long Term Bonds. The Lender’s commitment to deliver the MBS is subject to the satisfaction of certain requirements and preconditions and does not extend to the benefit of any other third party, including the beneficial owners of the Long Term Bonds, the Administration or the Trustee. No representations or assurances can be provided as to whether or not such conditions can or will be satisfied.

If the MBS is not delivered on or before the MBS Delivery Date Deadline (as defined herein), as such date may be extended pursuant to the terms of the Indenture, then Eligible Funds then on deposit in the Long Term Bond Proceeds Account and the Long Term Bond Revenue Account of the Indenture will be used to redeem the related Long Term Bonds as set forth in the Indenture. The Long Term Bonds are also subject to mandatory redemption in whole or in part as further described herein. See “DESCRIPTION OF THE LONG TERM BONDS —Mandatory Redemption of Long Term Bonds.”

Following the MBS Delivery Date, the principal amount of the Long Term Bonds Outstanding will equal the then-current principal amount of the MBS, which will equal the product of the original aggregate principal amount of the Mortgage Loan and the then-applicable factor posted by Fannie Mae as the Mortgage Loan amortizes or is otherwise prepaid (the “**Monthly Pool Factor**”). Monthly Pool Factors with respect to the MBS can be accessed through DUS Disclose on Fannie Mae’s website at <https://mfodusdisclose.fanniemae.com/#/home>.

The Long Term Bonds shall bear interest on the outstanding principal amount thereof at the interest rate set forth on the cover page hereof and in the Term Sheet (the “**Pass-Through Rate**”). Prior to the MBS Delivery Date, principal, if due, and interest on the Long Term Bonds will be payable monthly on the 26th day of the month, or the next succeeding Business Day if such 26th day is not a Business Day, commencing September 26, 2022, until and including the 26th day of the month in which the MBS Delivery Date occurs. Commencing with the first month after the month in which the MBS Delivery Date occurs, principal, if due, and interest will be payable on the first Business Day following receipt of a payment representing principal, if due, and interest under the MBS (but in no event earlier than the 26th day of the month). Principal of and interest on the Long Term Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, who will be responsible for remitting such principal and interest to the Beneficial Owners of the Long Term Bonds. The payment of interest on a Payment Date shall relate to the interest accrued during the preceding calendar month.

## The Short Term Bonds

At all times, the Series E-2 Bonds (the “**Short Term Bonds**”) will be secured by Eligible Funds invested in Eligible Investments, together with interest earnings thereon, or other Eligible Funds in the applicable Short Term Bond Revenue Account, the Short Term Bond Interest Deposit Subaccount, the Short Term Bond Proceeds Account and the Short Term Bond Collateral Account of the Indenture (the “**Short Term Bond Collateral**,” and together with the Long Term Bond Collateral, the “**Bond Collateral**”), along with the investment earnings thereon sufficient to pay all of the principal of and interest on the Short Term Bonds when due on the earlier of any Redemption Date or the Maturity Date, as further described herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE SHORT TERM BONDS – The Short Term Bonds” herein.

## Limited Obligations

The Bonds are limited obligations of the Administration, payable solely from and secured by the pledge pursuant to the Indenture of the Trust Estate, consisting of (i) with respect to the Long Term Bonds, revenues from the MBS (the “**MBS Revenues**”), other Bond Collateral, and other funds pledged therefor under the Indenture and (ii) with respect to the Short Term Bonds, the Short Term Bond Collateral and other funds pledged therefor under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

**THE BONDS ARE LIMITED OBLIGATIONS OF THE ADMINISTRATION, PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED THEREFOR UNDER THE INDENTURE. THE ADMINISTRATION HAS NO TAXING POWER. THE BONDS DO NOT CONSTITUTE A DEBT OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE ADMINISTRATION OR THE DEPARTMENT, OR A PLEDGE OF THE FAITH, CREDIT OR TAXING POWER OF THE STATE, ANY POLITICAL SUBDIVISION THEREOF, THE ADMINISTRATION OR THE DEPARTMENT.**

## Sustainability Bonds Designation

The Administration is issuing the Bonds as Sustainability Bonds based on the intended use of proceeds of the Bonds to finance the Project which is expected to provide affordable housing incorporating energy efficiency standards and features and not under the Fannie Mae's Social, Green and Sustainable MBS Framework. The Administration believes the intended use of the proceeds of the Bonds and the manner of expenditure of such funds are consistent with the four core components described by the International Capital Market Association (“**ICMA**”) in its publications, *Green Bond Principles: Voluntary Process Guidelines for Issuing Green Bonds*, *Social Bond Principles: Voluntary Process Guidelines for Issuing Social Bonds* and *Sustainability Bond Guidelines*.

By reference to the ICMA's *Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*, which links the ICMA green bond principles to the framework provided by the United Nations 17 Sustainable Development Goals (“**UNSDGs**”), the Administration believes that its Sustainability Bonds designation reflects the use of the proceeds of the Bonds in a manner that is consistent with certain of the UNSDGs. According to the United Nations, the UNSDGs were adopted by the United Nations General Assembly in September 2015 as part of its 2030 Agenda for Sustainable Development. The term “Sustainability Bonds” is neither defined in nor related to provisions in the Indenture. The use of such term herein is for identification purposes only and is not intended to provide or imply that an owner of Sustainability Bonds is entitled to any additional security beyond that provided therefor in the Indenture. Holders of Sustainability Bonds do not assume any specific risk with respect to the Project by reason of the Bonds being designated as Sustainability Bonds. See “THE ADMINISTRATION – Green Standards” for a description of the Administration's Green Standards and “APPENDIX J – SUSTAINABILITY BONDS DESIGNATION” for a further description of the Administration's Sustainability Bonds Designation, reference to certain UNSDGs and the form of the Administration's Sustainability Bonds Annual Reporting.

## Miscellaneous

Descriptions, certain definitions and final terms of the Bonds, the Borrower and other private participants, the Project, the Mortgage Loan and the MBS are included in the Term Sheet set forth in APPENDIX H hereto. The information included in APPENDIX H – THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET – Term Sheet assumes that the Mortgage Loan is originated in an amount equal to the maximum amount available under the Lender Commitment and that all the conditions to conversion set forth in the Lender Commitment (the “**Conditions to Conversion**”) have been satisfied and have not been waived or modified. All summaries or descriptions herein of documents and agreements are qualified in their entirety by reference to such documents and agreements, and all summaries herein of the Bonds are qualified in their entirety by reference to the Indenture and the provisions with respect thereto included in the aforesaid documents and agreements. Copies of the Indenture and the Financing

Agreement are available for inspection at the office of the Trustee. The Borrower will provide certain information on an ongoing basis to the Municipal Securities Rulemaking Board (the “**MSRB**”). For a description of the Borrower’s undertaking with respect to ongoing disclosure, see “CONTINUING DISCLOSURE” herein and APPENDIX G – “FORM OF CONTINUING DISCLOSURE AGREEMENT.”

## **THE ADMINISTRATION**

The following information has been provided by the Administration for use herein. While the information is believed to be reliable, none of the Trustee, the Borrower, the Underwriters, the Lender, Fannie Mae or any of their respective counsel, members, officers or employees makes any representations as to the accuracy or sufficiency of such information.

### **General Information**

The Administration was created in 1970 as a division of the Department of Economic and Community Development to meet the shortage of adequate, safe and sanitary housing in the State, particularly for persons or families of limited incomes. Chapter 311 of the Acts of Maryland 1987, effective July 1, 1987, abolished the Department of Economic and Community Development, created the Department and assigned the Administration as a unit of the Division of Development Finance of the Department.

The Secretary is the head of the Department and is appointed by the Governor of the State with the advice and consent of the Senate. The Department consists of five divisions: the Division of Development Finance, the Division of Credit Assurance, the Division of Finance and Administration, the Division of Neighborhood Revitalization and the Division of Information Technology.

The Division of Development Finance is the lending and bond issuing division of the Department, originating loans under the Department’s various lending programs and providing loan underwriting services to the Department and its other divisions and units. The Administration is a unit of the Division of Development Finance.

The Secretary, with the approval of the Governor, appoints the Deputy Secretary and the Director of the Administration, and the Director of the Administration, with the approval of the Secretary, appoints the Deputy Directors of the Administration and the other senior staff members of the Administration. The Act establishes the Housing Finance Review Committee (the “**Review Committee**”), which has the responsibility to review and to give recommendations to the Secretary regarding loans or categories of loans and the investment and project financing policies of the Administration. The Review Committee consists of seven members appointed by the Governor, including three members of the public, three members of the Department and one member of the Executive Branch not employed by the Department. When urgent action is required, the Secretary may approve a specific loan request without receiving the recommendation of the Review Committee.

The Division of Credit Assurance, the insuring division of the Department, provides certain asset management, monitoring and workout related services to the Department and its divisions and agencies, including the Administration.

The Division of Finance and Administration provides budget, accounting, auditing and administrative services to the Department. In addition, the Administration has a finance office which handles finance and accounting for lending and bond activities and insurance activities. The Administration’s finance office reports directly to the Director of the Administration.

The Division of Information Technology develops and maintains information systems and trains the Department’s staff in the use of computer resources.

The Division of Neighborhood Revitalization provides state and federal financial assistance including loans, grants, guaranties and state tax credits throughout the State, focusing on sustainable communities and priority funding areas; provides technical assistance programs to local governments, nonprofit organizations and small businesses to reinvest in these communities; and provides financial assistance to enable foreclosure prevention/mitigation housing and legal counseling.

The Department has established a Revenue Bond Advisory Board (the “**Board**”). The Board provides independent advice and expertise to the Department with respect to issuance of revenue bonds, including the Bonds. The Board consists of seven members appointed by the Secretary, including the Deputy Secretary (who chairs the Board), one other representative of the Department, two representatives of other executive branch agencies of State government (one from an agency which issues revenue bonds), one representative of the State Treasurer’s Office, and two members of the public. The Board reviews and makes recommendations to the Secretary with respect to each



issuance of bonds. The Secretary has the final authority to approve each issuance after receipt of the Board's recommendation. When urgent action is required, the Secretary may approve an issuance of bonds without action by the Board or may vary the terms of the Board's recommendation. In addition, the Board advises the Department on procedures for issuing bonds and on selection and performance of financial advisors and underwriters.

The Administration pays all costs and expenses of operating its programs from earnings received from its programs financed by bond indentures and resolutions of the Administration in excess of the amounts required to pay principal of and interest on its bonds and notes.

The Bonds are not, under any circumstances, payable from or secured by any other funds or assets of the Administration not expressly pledged to payment of the Bonds, including, without limitation, the Administration's General Bond Reserve Fund.

The office of the Administration is located at 7800 Harkins Road, Lanham, Maryland 20706. Inquiries for documents or concerning this Official Statement should be directed to Investor Relations at (301) 429-7897 or [cdabonds\\_mailbox.dhcd@maryland.gov](mailto:cdabonds_mailbox.dhcd@maryland.gov).

### **Green Standards<sup>†</sup>**

Applicants for bond financing from the Administration must demonstrate that the development will satisfy the requirements set forth in the applicable Maryland Qualified Allocation Plan (“**QAP**”) and Multifamily Rental Financing Program Guide (the “**Guide**”). The Guide establishes base level development quality thresholds (“**Development Quality Thresholds**”) as minimum mandatory standards for a development to be considered for financing, including base level green and energy efficiency standards. At a minimum, developments must comply with all applicable State and local building codes, which includes the latest version of the Building and Energy Code and the accessibility code incorporated by the Maryland Codes Administration into the Maryland Building Performance Standards. The following standards are from the 2020 version of the Guide. The 2020 version of the Guide (the “2020 Guide”) is applicable to the Project.

#### *Base Level Green Standards for All Developments*

Demolition work must be accompanied by a demolition plan that identifies sound practices for managing waste and hazardous materials and identifies opportunities for recycling. Site work must employ Maryland Department of the Environment 2011 Standards for Soil Erosion and Sediment Control during construction. Landscaping that includes new plantings shall utilize at least 50% native, drought and disease tolerant plantings that are highly suitable for the development soil and microclimate. Developments must implement a construction waste recycling plan in which construction waste materials are collected, separated and recycled instead of being sent to a land fill. Low toxic, low volatile organic compound paint, primer, sealers, and adhesives and unsealed engineered or composite wood products free of added urea formaldehyde must be used. Any carpet, pad, and carpet adhesives must meet the Carpet and Rug Institute's Green Label or Green Label Plus Certification. Where new HVAC equipment is specified, there must be no use of chlorofluorocarbons (“**CFC**”) refrigerant. For retained CFC refrigerant equipment, a comprehensive inspection, maintenance, and phase out or conversion plan must be included. Water fixtures and faucets must conserve water with toilets that use 1.28 gallons per flush or less and shower heads and bath and kitchen faucets that use 2.0 gallons per minute or less. Developments must not be located in FEMA Flood Zone Areas, except zones C or X, which are minimal risk areas.

#### *New Construction and Gut Rehabilitation Developments*

New construction, gut rehabilitation, and change in use developments must be certified under the current version of Energy Star Certified Homes or Energy Star Multifamily New Construction, as applicable to the development type. At a minimum, developments must utilize Energy Star central or split HVAC systems for community area(s) and units. All appliances must be Energy Star qualified, including vented kitchen and vented bathroom exhaust fans. Except for high-rise developments, windows must be Energy Star qualified windows in accordance with current Energy Star Standards as appropriate to development location.

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<sup>†</sup> The Bonds are being issued pursuant to the Administration's sustainability standards, which are based on the Maryland Qualified Allocation Plan and Multifamily Rental Financing Program Guide, not pursuant to Fannie Mae's Social, Green and Sustainable MBS Framework. See “THE ADMINISTRATION – Green Standards” herein. Accordingly, Fannie Mae will not provide any reporting or compliance information with respect to the Bonds or the Mortgage Loan that is otherwise provided under the Fannie Mae's Social, Green and Sustainable MBS Framework.

### *Rehabilitation Developments*

Rehabilitation developments must achieve a minimum of 15% energy savings for the rehabilitated building(s) over the existing building condition or, if a rehabilitation development previously completed an energy efficiency retrofit, and the 15% standard cannot be achieved, install all energy conservation measures that have a Savings to Investment Ratio (“**SIR**”) of 2.0 or greater. Base level energy standards for rehabilitation developments include the installation of Energy Star qualified HVAC systems and components when HVAC systems and components are replaced. All newly installed appliances must be Energy Star qualified, including vented kitchen and vented bathroom exhaust fans. When lighting replacement is included in the scope of work, the use of Energy Star qualified LED lighting fixtures or LED lamps is required. Energy Star qualified windows must be used when windows are replaced, except for high-rise buildings. Draft-stopping and air-sealing along with duct-sealing and insulation scopes of work must be included in the development specifications.

### *Evaluation Criteria*

As part of its evaluation process the Administration will award points to developments based on the inclusion of various “green” features, with more points available to developments participating in recognized certification programs. Developments seeking the Administration’s financing will receive points for obtaining certification using green building criteria from one of the organizations listed below:

- Enterprise Green Communities – 2015 Enterprise Green Communities Criteria, as updated
- U.S. Green Building Council – Leadership in Energy and Environmental Design V4, Homes or Homes Midrise as appropriate to project type
- Southface – Earthcraft Multifamily V5, as updated
- Green Building Initiative – Green Globes
- Home Innovation Research Labs

The Administration will award additional points to developments to encourage design features that provide comfort and energy efficiency over the extended period of the development life and that assist the Department in measuring energy conservation and sustainability outcomes. For example, points will be awarded for developments if the sponsor commits to incorporate into the scope of work all energy conservation measures (“**ECM**”) that result in an overall energy savings of 30% or greater over pre-retrofit levels as verified by a qualified energy auditor, or all of the ECMs having an SIR of greater than 1.0 as determined by a comprehensive energy audit, with some limitations on these points for gut rehabilitation and new construction. Additional points will be awarded for any development utilizing alternative energy (solar, geothermal, etc.) to reduce utility consumption of water heating, heating and cooling, or electric usage for common areas or tenant units.

### **Limited Involvement of the Administration**

The Administration has no obligation to review, control or oversee the activities of the Trustee, the Lender, Fannie Mae or the Borrower or the compliance by any of them with any covenants or provisions of any related documents, including (without limitation) any covenants that relate to the excludability from gross income of interest on the Bonds.

THE ADMINISTRATION ASSUMES NO RESPONSIBILITY FOR THE ACCURACY, SUFFICIENCY OF DISCLOSURES OR COMPLETENESS OF ANY INFORMATION PROVIDED BY THE BORROWER, THE LENDER, FANNIE MAE, THE TRUSTEE OR ANY OTHER PERSON FOR INCLUSION HEREIN. The Bonds will be limited obligations of the Administration as described under “SECURITY AND SOURCES OF PAYMENT FOR THE LONG TERM BONDS” and “SECURITY AND SOURCES OF PAYMENT FOR THE SHORT TERM BONDS” herein. The Administration has not participated in the preparation of this Official Statement and neither has nor will assume any responsibility as to the accuracy or completeness of any information contained herein, all of which information has been furnished by others, other than the information included under the headings “INTRODUCTION” (to the extent of the information therein pertaining to the Administration), “THE ADMINISTRATION” and “NO LITIGATION — The Administration” herein.

## DESCRIPTION OF THE LONG TERM BONDS

### General

The Long Term Bonds will be issued in denominations of \$1,000 and integral multiples of \$1.00 in excess thereof. The Long Term Bonds are issuable only as fully registered bonds without coupons and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository for the Long Term Bonds. Individual purchases will be made in book-entry form only. Purchasers will not receive bonds representing their interest in the Long Term Bonds purchased. See APPENDIX F — “BOOK-ENTRY SYSTEM.”

The Long Term Bonds will be dated and have a final maturity date and a final payment date on the dates identified in the Term Sheet and on the front cover of this Official Statement. The Long Term Bonds will bear interest from the Bond Dated Date at the Pass-Through Rate set forth in the Term Sheet and on the front cover hereof. Interest on the Long Term Bonds shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year. The payment of interest on a Payment Date shall relate to the interest accrued during the preceding calendar month.

Prior to the MBS Delivery Date, interest on the Long Term Bonds will be payable monthly on the 26th day of the month, or the next succeeding Business Day if such 26th day is not a Business Day, commencing September 26, 2022, to the Bondholders who are Bondholders of record as of the close of business on the applicable Record Date until and including the 26th day of the month in which the MBS Delivery Date occurs. Interest on the Long Term Bonds shall be computed for the actual number of days which have elapsed, on the basis of a 360-day year.

Prior to the MBS Delivery Date, all payments of interest with respect to the Long Term Bonds will be paid to the Long Term Bond Bondholders by the Trustee from funds held in the Long Term Bond Interest Deposit Subaccount, or from Eligible Funds on deposit in other Funds and Accounts authorized for such purpose, under the Indenture.

Commencing on the first month after the month in which the MBS Delivery Date occurs, on the first Business Day following receipt of a payment representing interest under the MBS, the Trustee will pay to the Long Term Bond Bondholders of record as of the applicable Record Date the amount so received as a payment of interest on the Long Term Bonds. All payments of interest with respect to the Long Term Bonds will be paid to the Long Term Bond Bondholders in proportion to the principal amount of each Long Term Bond owned by each such owner as set forth on the records of the Trustee as of the applicable Record Date.

Following the MBS Delivery Date, on the first Business Day following receipt of principal payments or repayments under the MBS, the Trustee will pay to the Long Term Bond Bondholders of record as of the applicable Record Date the amount so received as a payment of principal on the Long Term Bonds. All payments of principal with respect to the Long Term Bonds will be paid to the Long Term Bond Bondholders in proportion to the principal amount of each Long Term Bond owned by each such owner as set forth on the records of the Trustee at the close of business on the applicable Record Date.

So long as Cede & Co. or another nominee designated by DTC is the registered owner of the Long Term Bonds, principal and interest on the Long Term Bonds are payable by the Trustee to DTC, which will be responsible for remitting such principal and interest to its Participants, who will be responsible for remitting such principal and interest to the Beneficial Owners of the Long Term Bonds. See APPENDIX F — “BOOK-ENTRY SYSTEM.” *So long as Cede & Co. is the registered owner of the Long Term Bonds, all references in this Official Statement to the owners or holders of the Long Term Bonds means Cede & Co. and not the Beneficial Owners of the Long Term Bonds.*

### Transfer of Long Term Bonds

While DTC is securities depository for book-entry Long Term Bonds, the transfer of beneficial ownership of Long Term Bonds shall take place as described in APPENDIX F — “BOOK-ENTRY SYSTEM.” If DTC were to terminate its status as securities depository for the Long Term Bonds and, as a result, the Long Term Bonds were no longer book-entry securities, no transfer of a Long Term Bond will be made unless made upon the records of the Administration kept for that purpose at the corporate trust office of the Trustee, by the registered owner of the Long Term Bond or by its attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee. Upon the transfer of any such Long Term Bond, the Administration shall issue and the Trustee shall authenticate and deliver to and in the name of the transferee a new fully registered Long Term Bond, of the same series, aggregate principal amount, interest rate, maturity and other terms as the surrendered Long Term Bond.

At all times, the Administration and the Trustee may deem and treat the person in whose name any Long Term Bond shall be registered upon the records of the Administration as the absolute owner of such Long Term Bond, whether such Long Term Bond shall be a book-entry security or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Long Term Bond and for all other purposes and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Long Term Bond to the extent of the sum or sums so paid.

### **Mandatory Redemption of Long Term Bonds**

The Long Term Bonds are subject to mandatory redemption under the Indenture as follows:

**Mandatory Redemption Prior to MBS Delivery Date.** On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, the Long Term Bonds are subject to mandatory redemption in part in an amount equal to the amount due on the first day of the month in which such Payment Date occurs as shown in the Mortgage Loan Amortization Schedule, payable only with respect to interest, from money on deposit in the Long Term Bond Revenue Account.

**Mandatory Redemption upon Failure to Convert or Failure to Purchase the MBS by the MBS Delivery Date Deadline.** The Long Term Bonds are subject to mandatory redemption in whole five (5) calendar days after the MBS Delivery Date Deadline (as such date may be extended as described under APPENDIX C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Extension of MBS Delivery Date Deadline” hereto) at a Redemption Price equal to 100% of the Outstanding principal amount thereof, plus interest accrued but unpaid from the first day of the month in which the last Payment Date occurred to, but not including, such redemption date, if either the Conversion Date or the MBS Delivery Date has not occurred on or prior to the MBS Delivery Date Deadline, payable with respect to principal first, from money on deposit in the Long Term Bond Collateral Account and second from money on deposit in the Long Term Bond Proceeds Account of the Indenture, and with respect to premium, if any, and interest, from money on deposit in the Long Term Bond Revenue Account including the Long Term Bond Interest Deposit Subaccount therein.

**Partial Mandatory Redemption on the MBS Delivery Date.** The Long Term Bonds are subject to mandatory redemption in part on the MBS Delivery Date at a Redemption Price equal to 100% of the principal amount of the Long Term Bonds to be redeemed, plus interest accrued but unpaid from the first day of the month in which the last applicable Payment Date occurred prior to, but not including, either the Conversion Date or the MBS Delivery Date, in an amount equal to the difference between (i) the principal amount of the MBS and (ii) the aggregate principal amount of the Long Term Bonds Outstanding as of the first day of the month in which the MBS Delivery Date occurred, payable with respect to principal first, from money on deposit in the Long Term Bond Collateral Account and second, from money on deposit in the Long Term Bond Proceeds Account of the Indenture, and with respect to interest and premium, if any, from money on deposit in the Long Term Bond Revenue Account of the Indenture and other Eligible Funds.

**Mandatory Redemption Following the MBS Delivery Date.** Following the MBS Delivery Date, the Long Term Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which a principal payment or prepayment is received pursuant to the MBS, at a Redemption Price equal to 100% of the principal amount, plus interest and premium, if any, received pursuant to the MBS.

**Mandatory Redemption in Lieu of Exchange.** The Long Term Bonds are subject to mandatory redemption in whole or in part in the event the Administration elects, as described under “Optional Exchange of Long Term Bonds for MBS” below, to redeem a Beneficial Owner’s Long Term Bonds for an amount equal to the Cash Value in lieu of delivering to the Beneficial Owner of the related Long Term Bonds its proportional interest in the MBS based upon its proportional interest in the Long Term Bonds. Any such redemption shall be made in the amounts, from the sources and in accordance with the provisions of the Indenture and the applicable procedures of DTC or any Substitute Depository. See “Optional Exchange of Long Term Bonds for MBS” below.

Notwithstanding anything to the contrary in the Indenture, the Long Term Bonds are not subject to optional redemption but, on or after the MBS Delivery Date, are subject to mandatory redemption prior to maturity, as described above under “DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds – Mandatory Redemption Following the MBS Delivery Date,” in connection with a prepayment of the Mortgage Loan. See the Prepayment Premium Term and Prepayment Premium End Date for the Mortgage Loan in the Term Sheet set forth in APPENDIX H — “THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET” hereto.

## Notice of Redemption

The Trustee shall provide notice of redemption of the Long Term Bonds, as and when required, as described in APPENDIX C — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Notice of Redemption” hereto. Notwithstanding anything to the contrary in the Indenture, no prior notice shall be a prerequisite to the effectiveness of any redemption described in the above paragraphs, which redemptions shall occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice required by such Indenture with respect to the redemptions described above.

## Optional Exchange of Long Term Bonds for MBS

Following delivery of the MBS to the Trustee, a Beneficial Owner of a Long Term Bond, after providing evidence sufficient for the Trustee to confirm that such person holds a beneficial interest in such Long Term Bond (including, but not limited to, such evidence as shall be contemplated by the procedures of DTC or a Substitute Depository), may file with the Trustee a written request, in the form attached as an exhibit to the Indenture or such other form as may be approved by the Trustee (the “**Request Notice**”), to exchange such Long Term Bond for a like principal amount of the MBS, provided, that (i) the MBS will be, when delivered, in a face amount equal to \$1,000 or a multiple of \$1.00 in excess thereof, and (ii) the Project is complete and placed in service by the Borrower as evidenced by a certificate of occupancy for the Project delivered by the Borrower to the Trustee accompanied by a letter from an Authorized Representative of the Borrower confirming that the Project is placed in service for purposes of Section 42 of the Code. The Request Notice must be delivered to the Trustee at least five (5) Business Days prior to the Exchange Date (as defined in the Request Notice).

Upon receipt of a Request Notice, the Trustee shall within one (1) Business Day provide a copy to the Administration and the Lender. After receipt of a Request Notice, the Administration shall then have the option, in its sole discretion, to provide written direction to the Trustee to either (i) deliver to the requesting Beneficial Owner of the related Long Term Bond its proportionate interest in the MBS based upon such Beneficial Owner’s proportionate interest in such Long Term Bond or (ii) redeem such Beneficial Owner’s Long Term Bond for an amount equal to the Cash Value (as defined below) as of the Exchange Date. The Administration shall notify the Trustee within five (5) Business Days of being notified by the Trustee of the Request Notice of its decision to deliver the proportional interest in the MBS in exchange for the related Long Term Bond or to redeem such Long Term Bond at the redemption price equal to the Cash Value, and immediately upon receiving the Administration’s decision, the Trustee shall notify such Beneficial Owner of the Administration’s decision.

In the event that the Administration elects to redeem the related Long Term Bond in lieu of delivering the MBS, the redemption date will occur on the date specified by the Administration within 30 calendar days after its receipt of the Request Notice. Immediately upon receiving the Administration’s direction, the Trustee shall notify such Beneficial Owner of the Administration’s direction. Upon receipt of any Long Term Bond from the requesting Beneficial Owner, the Trustee will promptly cancel the Long Term Bonds, which will not be reissued.

Cash Value = original face amount of the MBS x Monthly Pool Factor x (1 + Redemption Premium + (Initial Offering Premium x Monthly Pool Factor)).

Where “Monthly Pool Factor” means a ratio published by Fannie Mae for each issuance of certificates on or about the fourth business day of each month.

Where “Redemption Premium” = 5% if the exchange occurs during the first five years from the Closing Date;

= 4% during the sixth year;

= 3% during the seventh year;

= 2% during the eighth year;

= 1% during the ninth year; and

= 0% thereafter

Where “Initial Offering Premium” means the initial offering price on the applicable Long Term Bonds minus 100%.

In the event that the Administration elects (or is deemed to have elected) to deliver the requesting Beneficial Owner's proportional interest in the MBS in lieu of redeeming the related Long Term Bonds, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee's beneficial ownership interest in the Beneficial Owner's

proportional interest in the MBS (appropriately reduced by a principal payment received by the Beneficial Owner as a result of its being the record owner of the related Long Term Bonds to be exchanged on the applicable Record Date for the next succeeding Payment Date) on the date specified in the Request Notice, or as promptly thereafter as practicable, following (i) delivery to the Trustee (via DTC withdrawal or Deposit/Withdrawal At Custodian (“DWAC”)) of the Long Term Bonds (or interest therein) being exchanged and (ii) payment by the requesting owner of the Trustee's exchange fee (\$500 as of the date of the Indenture) with respect to such Long Term Bonds. Such Beneficial Owner's proportional interest in the MBS will be (1) in book-entry form and (2) transferred in accordance with current market practices, including the provisions of SIFMA's *Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities*. The proportional interest in the MBS delivered in such an exchange will not be exchangeable for the related Long Term Bonds. If the Exchange Date is subsequent to a Record Date and prior to a corresponding Payment Date for such Long Term Bonds, the Trustee shall wire the principal and interest payments on the exchanged Long Term Bonds to the requesting Beneficial Owner using the wire transfer instructions set forth on the Request Notice.

In the event that the Administration elects to redeem the related Long Term Bonds in lieu of a Bondholder exchange for the MBS, the requesting Beneficial Owner shall arrange with its securities dealer (and/or DTC participant) to deliver the related Long Term Bonds (or interest therein) to the Trustee (via DTC withdrawal or DWAC) on or before such redemption date. Once such delivery has been verified and approved by the Trustee, the Trustee shall transfer a like principal amount of the MBS to or upon the order of the Administration in exchange for an amount of Eligible Funds equal to the Cash Value plus interest accrued but unpaid on the MBS (less any interest to be received by the Beneficial Owner on the next Payment Date if the redemption occurs between the applicable Record Date and such Payment Date) and apply the proceeds of such transfer to the payment of the Redemption Price of such Long Term Bonds on the Payment Date by wiring such amount to the Beneficial Owner at its wire transfer instructions set forth on the Request Notice.

Any exchange or redemption must comply with the procedures of DTC or any Substitute Depository. None of Fannie Mae, the Trustee or the Administration shall have any liability to the requesting Beneficial Owner arising from (i) any exchange or redemption of the related Long Term Bonds described under this heading “Optional Exchange of Long Term Bonds for MBS” or (ii) any of the costs or expenses thereof. The Trustee may rely on the Administration's calculation of the Cash Value and shall not be required to confirm such calculation.

#### **No Exchange of Long Term Bonds for MBS Until Project Placed in Service**

The Project is a low-income housing tax credit project, and the Long Term Bonds must remain outstanding until the Project is placed in service for the Project to qualify for low-income housing tax credits under Section 42 of the Code. Therefore, a beneficial owner of a Long Term Bond may not exchange such Long Term Bond for a proportionate share of the underlying MBS until the Trustee has received a certificate of completion of the improvements to the Project that will qualify the Project as placed in service for tax credit purposes.

**Interest on the MBS is not excludable from gross income for federal income tax purposes. Long Term Bond Bondholders should consult their own tax advisors concerning that and other tax consequences of any exchange.**

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

In order to secure the payment of the principal of and interest on the Long Term Bonds, the Administration has pledged to the Trust Estate for the Long Term Bonds, subject to terms and provisions of the Indenture, the following:

- (i) moneys on deposit in the Long Term Bond Proceeds Account;
- (ii) all Eligible Funds on deposit in the Long Term Bond Collateral Account and the Long Term Bond Revenue Account, including the Interest Deposit Subaccount therein;
- (iii) the MBS, if issued by Fannie Mae and acquired by the Trustee, and all MBS Revenues;
- (iv) all right, title and interest of the Administration now owned or hereafter acquired in, to and under the Financing Agreement and the Regulatory Agreement (except Reserved Rights); and;
- (v) all other funds, accounts and property which by the express provisions of the Indenture is required to be subject to the lien of such Indenture, and any additional property that, from time to time, by delivery or by writing of any kind, may be subjected to the lien of such Indenture and pledged to the holders of the Long Term Bonds, by the Administration or by anyone on its behalf, and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the

Indenture; provided, however, that the Trust Estate shall not include amounts on deposit in the Rebate Fund.

Pursuant to the Indenture, the foregoing pledge is made with respect to the Long Term Bonds for the equal and proportionate benefit, security and protection of all present and future owners of such Long Term Bonds.

Prior to the delivery of the MBS, the Long Term Bonds will be secured by the deposit with the Trustee of Eligible Funds held under the Indenture by the Trustee in an aggregate amount equal to the outstanding principal amount of the Long Term Bonds. The Trustee will use Eligible Funds held under the Indenture along with interest earnings thereon to (i) pay principal, premium, if any, and interest on the Long Term Bonds when due, and (ii) acquire, if and when issued, the respective MBS, upon satisfaction of the conditions set forth in the Indenture and Lender Commitment and upon satisfaction of the conditions precedent to the issuance of such MBS and compliance with the commitment between Fannie Mae and the Lender.

It is anticipated that if the conditions to the issuance of the MBS are satisfied, the MBS will be available for acquisition by the Trustee on or before the MBS Delivery Date Deadline, as such date may be extended as provided in the Indenture. Following the acquisition of the MBS (if issued) by the Trustee, payments of principal and interest on the Long Term Bonds will be payable from pass-through payments received by the Trustee.

If the MBS is not acquired by the Trustee prior to the MBS Delivery Date Deadline (as such date may be extended pursuant to the Indenture), the Long Term Bonds will be redeemed from Eligible Funds held under the Indenture as set forth in “DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Redemption Upon Failure to Purchase the MBS” hereto.

**While the Long Term Bonds and the Short Term Bonds are being offered by this Official Statement and issued under the Indenture, the Long Term Bonds offered by this Official Statement are separate and apart from the Short Term Bonds. The Long Term Bonds will be separately secured by the MBS, Eligible Funds and the other collateral specifically pledged under the Indenture. The Long Term Bonds are not cross-defaulted or cross-collateralized with the Short Term Bonds. Purchasers of a particular Long Term Bond shall have no rights to any revenues, funds or assets of the Short Term Bonds.**

## THE MORTGAGE LOAN

### General

The Lender Commitment sets forth certain Conditions to Conversion which must be satisfied prior to the origination of the Mortgage Loan and the issuance of the MBS. Such conditions include, but are not limited to: the completion of improvements; confirmation that the Minimum Occupancy Requirement (as defined in the Lender Commitment) has been met; the delivery of required transaction documents and certain other items required in connection with the Lender Commitment; the review and approval by Fannie Mae of all agreements, documents, instruments, reports, surveys, papers and matters which are subject to Fannie Mae’s review and approval in connection with the Lender Commitment; the payment of all fees required in connection with the Lender Commitment; that there be no event of default under any of the required transaction documents; and certain other conditions set forth in the Lender Commitment. The conditions described in the prior sentence represent only a limited summary of the Conditions to Conversion, and the Lender Commitment should be referenced for a full description of such conditions. Upon satisfaction of the Conditions to Conversion set forth in the Lender Commitment, the Lender will originate the Mortgage Loan.

If and when the Mortgage Loan is originated, it will be evidenced by the Mortgage Note executed by the Borrower in favor of the Lender and secured by a Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the “**Mortgage**”). The Borrower will be required under the Mortgage Note to make monthly payments sufficient in the aggregate to pay debt service on the Mortgage Loan.

If and when the Mortgage Loan is originated, and the MBS is delivered, subject to (a) the conditions and requirements of the Lender Commitment and (b) the satisfaction of the conditions relating to the financing, construction and leasing of the Project, Fannie Mae is expected to deliver the MBS to the Trustee on or before the MBS Delivery Date to be purchased by the Trustee with the Bond Collateral on deposit under the Indenture. The Lender has agreed to provide a certification that the MBS terms are consistent with the Term Sheet and meets the requirements set forth in the Indenture. The Trustee shall be entitled to rely and act on such certification without further investigation.

## MBS Payments

Following the MBS Delivery Date, if such date occurs, payments on the MBS will be made on the 25th day of each month (beginning with the month following the month in which the MBS is issued and delivered to the Trustee), or, if such 25th day is not a Business Day, on the first Business Day next succeeding such 25th day. With respect to the MBS, Fannie Mae will distribute to the Trustee an amount equal to the total of (i) the principal due on the Mortgage Loan during the period beginning on the second day of the month prior to the month of such distribution and ending on the first day of such month of distribution, (ii) the stated principal balance of the Mortgage Loan which was prepaid in full during the calendar month next preceding the month of such distribution (including as prepaid for this purpose at Fannie Mae's election the Mortgage Loan after it is delinquent, in whole or in part, with respect to four consecutive installments of principal and interest; or because of Fannie Mae's election to repurchase the Mortgage Loan under certain other circumstances), (iii) the amount of any partial prepayment of the Mortgage Loan received in the calendar month next preceding the month of distribution, and (iv) one month's interest at the Pass-Through Rate on the principal balance of the MBS as reported to the Trustee (assuming the Trustee is the registered holder) in connection with the previous distribution (or, respecting the first distribution, the principal balance of the MBS on its issue date).

For purposes of distribution, the Mortgage Loan will be considered to have been prepaid in full if, in Fannie Mae's reasonable judgment, the full amount finally recoverable on account of the Mortgage Loan has been received, whether or not such full amount is equal to the stated principal balance of the Mortgage Loan. See also APPENDIX A — "FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM."

**Interest on the MBS is not excludable from gross income for federal income tax purposes. Long Term Bond Bondholders should consult their own tax advisors concerning that and other tax consequences of any Exchange.**

## FANNIE MAE

The MBS, if issued by Fannie Mae and acquired by the Trustee as described herein, will be an obligation of Fannie Mae. **The securities of Fannie Mae, including the MBS, if issued, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.**

Information on Fannie Mae and its financial condition is contained in periodic reports that are filed with the Securities and Exchange Commission (the "SEC"). Fannie Mae's SEC filings are available at the SEC's website at [www.sec.gov](http://www.sec.gov) and are also available on Fannie Mae's web site at <http://www.fanniemae.com> or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

## DESCRIPTION OF THE SHORT TERM BONDS

### General

The Short Term Bonds will be issued in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof and shall mature on the maturity dates identified on the front cover of this Official Statement (the "**Short Term Bond Maturity Date**"). The Short Term Bonds will be dated their date of delivery and will bear interest at the respective rate of interest set forth on the front cover of this Official Statement from their date of delivery, to but not including the Short Term Bond Maturity Date, payable on the applicable Payment Date. Interest on the Short Term Bonds shall be computed on the basis of a 360-day year of 12 months of 30 days each.

The principal of and interest on the Short Term Bonds shall be payable by the Trustee to Cede & Co., as nominee of DTC. See "Book-Entry-Only System" below.

### Optional Redemption

Optional Redemption Terms. The Short Term Bonds are subject to optional redemption on or after August 1, 2024, in whole but not in part, by the Administration at the written request of the Borrower, at a redemption price equal to 100% of the principal amount of the Short Term Bonds being redeemed plus accrued interest, but without premium, to the redemption date.

### Notice of Optional Redemption

Unless waived by any Holder of Short Term Bonds to be redeemed, notice of optional redemption as described under APPENDIX C — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Notice of Redemption" herein shall be given by the Trustee on behalf of the Administration, at the written direction of the Administration, upon the written request of the Borrower, by mailing a copy of an official redemption notice by first-



class mail, postage prepaid, to the Holder of the Short Term Bond to be redeemed, at the address of such Holder shown on the Register at the opening of business on the fifth day prior to such mailing, at least 20 days prior to the date fixed for redemption.

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

Pursuant to the Indenture, the Short Term Bonds will be secured at all times by Eligible Investments and Eligible Funds sufficient, without need for reinvestment, to pay all of the interest on the Short Term Bonds when due and to pay the principal of the Short Term Bonds at maturity or upon redemption, or acceleration, as further described herein.

In order to secure the payment of the principal of and interest on the Short Term Bonds, the Administration has pledged to the Trust Estate for the Short Term Bonds, subject to terms and provisions of the Indenture, the following:

- (i) all Eligible Funds from time to time on deposit in the Short Term Bond Revenue Account, including the Short Term Bond Interest Deposit Subaccount therein, the Short Term Bond Collateral Account and the Short Term Bond Proceeds Account;
- (ii) all right, title and interest of the Administration now owned or hereafter acquired in, to and under the Financing Agreement and the Regulatory Agreement (except Reserved Rights); and;
- (iii) all other funds, accounts and property which by the express provisions of the Indenture is required to be subject to the lien of such Indenture, and any additional property that, from time to time, by delivery or by writing of any kind, may be subjected to the lien of such Indenture and pledged to the holders of the Short Term Bonds, by the Administration or by anyone on its behalf, and the Trustee is authorized by the Indenture to receive the same at any time as additional security under the Indenture; provided, however, that the Trust Estate shall not include amounts on deposit in the Rebate Fund.

Pursuant to the Indenture, the foregoing pledge is made with respect to the Short Term Bonds for the equal and proportionate benefit, security and protection of all present and future owners of such Short Term Bonds.

**While the Short Term Bonds and the Long Term Bonds are being offered by this Official Statement and issued under the Indenture, the Short Term Bonds offered by this Official Statement are separate and apart from the Long Term Bonds. The Short Term Bonds will be separately secured by the Eligible Funds and the other collateral specifically pledged under the Indenture. The Short Term Bonds are not cross-defaulted or cross-collateralized with the Long Term Bonds. Purchasers of a particular Short Term Bond shall have no rights to any revenues, funds or assets of the Long Term Bonds.**

## **PRIVATE PARTICIPANTS AND THE PROJECT**

Specific information concerning the private participants, the Project and sources of financing therefor, and additional information is contained in APPENDIX H hereto. The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the ownership of the Project. However, the member(s) of the general partners of the Borrower, the Tax Credit Investor, and their respective affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial time to, business and activities that may be inconsistent or competitive with the interests of the Project.

## CERTAIN BONDHOLDERS' RISKS

*The purchase of the Bonds will involve a number of risks. The following is a summary, which does not purport to be comprehensive or definitive, of some of such risk factors.*

### **Limited Security; Investment of Funds**

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

#### Long Term Bonds

The Long Term Bonds are offered solely on the basis of the amounts pledged to and held by the Trustee under the Indenture, together with investment earnings thereon, and the MBS, and are not offered on the basis of the credit of the Borrower, the feasibility of the Project or any other security. As a consequence, limited information about the Project and no information about the financial condition or results of operations of the Borrower is included in this Official Statement. The Long Term Bonds are offered only to investors who, in making their investment decision, rely solely on the amounts held under the Indenture, together with investment earnings thereon, and not on the credit of the Borrower, the feasibility of the Project or any other security.

The principal of and interest on the Long Term Bonds are payable from and secured by certain revenues and funds pledged thereto under the Indenture, and, following the MBS Delivery Date, the Long Term Bonds are payable from and secured by payments on the related MBS.

The Trustee is required to invest amounts held in the Long Term Bond Proceeds Account, the Long Term Bond Collateral Account and the Long Term Bond Revenue Account in Eligible Investments, as defined in the Indenture. See APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Funds.” Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Long Term Bonds.

#### Short Term Bonds

The Short Term Bonds are not mortgage-secured. Investors should look exclusively to amounts on deposit in the Short Term Bond Proceeds Account, the Short Term Bond Revenue Account and Short Term Bond Collateral Account under the Indenture and investment earnings on each as the source of payment of debt service on the Short Term Bonds.

On the date of delivery of the Short Term Bonds, the Short Term Bond Proceeds will be deposited into the Short Term Bond Proceeds Account, and upon the disbursement of Short Term Bond proceeds to a Borrower, a corresponding amount of Eligible Funds must be deposited to the Short Term Bond Collateral Account. The Trustee is required to invest amounts held in such Short Term Bond Proceeds Account, the Short Term Bond Collateral Account and the Short Term Bond Revenue Account in Eligible Investments, as defined in the Indenture. See APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Investment of Funds.” Failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

### **No Acceleration or Early Redemption upon Loss of Tax Exemption on the Bonds**

The Borrower will enter into a Declaration of Restrictive Covenants and Regulatory Agreement (the “**Regulatory Agreement**”) with the Administration and will covenant and agree to comply with the provisions of the Code relating to the exclusion from gross income for federal income tax purposes of the interest payable on the Bonds. In particular, the Borrower will be required to rent at least twenty percent (20%) of the Project apartment units to certain qualified tenants whose income does not exceed fifty percent (50%) of the area median income where the Project is located. The Borrower’s failure to comply with such provisions will not constitute a default under the Bonds and will not give rise to a redemption or acceleration of the Bonds and is not the basis for an increase in the rate of interest payable on such Bonds. Furthermore, the Borrower’s failure to comply with the Regulatory Agreement will not give rise to a prepayment or acceleration of amounts due under the MBS or the Mortgage, unless directed by Fannie Mae in its sole discretion. Consequently, interest on the Bonds may become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds by reason of a Borrower’s failure to comply with the requirements of federal tax law. In such event, a Bondholder could exercise its option to exchange its Bond for the MBS as described above under the heading “Optional Exchange of Bonds for MBS,” but it will have lost the value of the tax exemption.

### **Payments Prior to MBS Delivery Date**

Prior to the MBS Delivery Date, payments of principal, if any, and interest on the Long Term Bonds, and the Borrower's obligations with respect to principal and interest on the Long Term Bonds, will be primarily secured by and payable from Long Term Bond proceeds held in the Long Term Bond Proceeds Account and moneys deposited into the Long Term Bond Revenue Account, including the Long Term Bond Interest Deposit Subaccount therein. It is not expected, prior to the MBS Delivery Date, that any revenues from the Project or other amounts, except moneys on deposit in the Long Term Bond Proceeds Account and the Long Term Bond Revenue Account, will be available to satisfy that obligation. Prior to the MBS Delivery Date, it is expected that moneys on deposit in the Long Term Bond Proceeds Account, the Long Term Bond Revenue Account, including the Long Term Bond Interest Deposit Subaccount therein, and the interest earnings thereon, will be sufficient to pay the debt service on the Long Term Bonds.

### **Mandatory Redemption of Long Term Bonds Prior to Maturity**

Pursuant to the Indenture, under certain circumstances, the Long Term Bonds may be subject to mandatory redemption prior to maturity. See "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds" herein and APPENDIX C hereto.

### **Eligible Investments**

Proceeds of the Short Term Bonds, and prior to the MBS Delivery Date, proceeds of the Long Term Bonds deposited into the Long Term Bond Proceeds Account, and other Eligible Funds, are required to be invested in Eligible Investments. See APPENDIX B — "DEFINITIONS OF CERTAIN TERMS" hereto for the definition of Eligible Investments. There can be no assurance that there will not be a loss resulting from any investment held for the credit of the Bond Proceeds Fund, the Collateral Fund and other applicable Funds and Accounts of the Indenture, and any failure to receive a return of the amounts so invested could affect the ability to pay the principal of and interest on the Bonds.

### **Long Term Bond Rating**

Prior to the MBS Delivery Date, the rating on the Long Term Bonds is based on the investment in Eligible Investments of amounts on deposit in the Long Term Bond Proceeds Account and the Long Term Bond Revenue Account. If one or more of such investments fail to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Long Term Bonds. Following the MBS Delivery Date, the rating on the Long Term Bonds is based on the credit rating of Fannie Mae. If any event occurs that causes an adverse change to the credit rating of Fannie Mae, such a change may result in a downgrade or withdrawal of the rating on the Long Term Bonds.

### **Short Term Bond Rating Based on Eligible Investments**

The rating on the Short Term Bonds is based on the amount in the Short Term Bond Proceeds Account, the Short Term Bond Revenue Account and the Short Term Bond Collateral Account being invested in Eligible Investments. If one or more of such investments fails to meet the rating standards for Eligible Investments after their acquisition and prior to maturity, such a change may result in a downgrade or withdrawal of the rating on the Short Term Bonds.

### **Repayment of Mortgage Loan**

The ability of the Borrower to pay the Mortgage Loan is dependent on the revenues derived from the Project. Due to the inherent uncertainty of future events and conditions, no assurance can be given that revenues generated by the Project will be sufficient to pay expenses of the Project, including, without limitation, debt service on the Mortgage Loan, operating expenses, servicing fees, fees due to Fannie Mae, Trustee fees, and fees owed to the Administration. The ability of the Project to generate sufficient revenues may be affected by a variety of factors including, but not limited to, completion of construction of the Project, the maintenance of a sufficient level of occupancy, the ability to achieve increases in rents, the level of operating expenses, project management, adverse changes in applicable laws and regulations, general economic conditions and other factors in the surrounding market area for the Project. The Borrower intends to rent all of the units in the Project to persons or families of moderate and low income, and the amount of rent that may be charged for such units may be materially less than market rates. In addition to these factors, other adverse events may occur from time to time which may have a negative impact on the occupancy level and rental income of the Project.

Failure of the Borrower to make payments when due under the Mortgage Loan will result in an event of default under the Mortgage Loan and the Financing Agreement and may result in a mandatory prepayment of all or a portion of the Long Term Bonds. The Mortgage Loan will not be accelerated unless directed by Fannie Mae in its sole discretion; provided however, the Long Term Bonds will remain outstanding and will remain secured by the MBS guaranteed as to timely payment of principal and interest by Fannie Mae. See “SECURITY AND SOURCES OF PAYMENT FOR THE LONG TERM BONDS” herein. If Fannie Mae accelerates the Mortgage Loan as a result of any event of default under the Mortgage Loan, the Mortgage Loan will be paid in full, and the stated principal balance of the MBS will be passed through to the Trustee as holder of the MBS. In this case, no yield maintenance or other prepayment premiums will be payable to the Trustee.

The Mortgage Loan is a non-recourse obligation of the Borrower with respect to which neither the Borrower nor its partners have personal liability and as to which the Borrower and its partners have not pledged for the benefit of the Lender any of their respective assets, other than the Project and its rents, profits and proceeds.

### **Long Term Bonds Are Pass-Through Securities; Interest Payment Lag**

As described elsewhere herein, following the MBS Delivery Date, the Long Term Bonds are pass-through securities designed to pass through to registered owners of the Long Term Bonds principal and interest payments on the MBS one Business Day after receipt by the Trustee of such payments on the MBS. Interest payments on the Long Term Bonds will equal interest accrued on the Long Term Bonds during the prior calendar month and shall be made from interest payments received by the Trustee on the MBS, which payments on the MBS shall be received on the 25th day of each month, or the next Business Day if the 25th is not a Business Day.

Although interest accrues on the MBS during a calendar month, the Trustee will not receive such payment on the MBS until the 25th day in the following calendar month, or the next succeeding Business Day if such day is not a Business Day. In addition, the Long Term Bonds mature on the Bond Maturity Date; however, the final principal payment on the MBS will occur on the 25th day of the month in which the Bond Maturity Date occurs (or the succeeding Business Day if such day is not a Business Day), and such payment will be passed through to Bondholders on the following Business Day after receipt by the Trustee. Because of these delays, the effective yield on the Long Term Bonds will be lower than the Pass-Through Rate on the MBS and the stated interest rate on the Long Term Bonds.

### **Pass-Through Certificate**

If the MBS is issued by Fannie Mae and acquired by the Trustee as collateral for the Long Term Bonds, Fannie Mae’s obligations will be solely as provided in the MBS and in the Fannie Mae MBS Prospectus and the related form of Prospectus Supplement for MBS Certificate. The obligations of Fannie Mae under the MBS will be obligations solely of Fannie Mae, a federally chartered corporation, and will not be backed by the full faith and credit of the United States of America. The Long Term Bonds are not and will not be a debt of the United States of America or any other agency or instrumentality of the United States of America or of Fannie Mae. The Long Term Bonds are not and will not be guaranteed by the full faith and credit of Fannie Mae or the United States of America.

It is possible, in the event of the insolvency of Fannie Mae, or the occurrence of some other event precluding Fannie Mae from honoring its obligations to make payments as stated in the MBS, if issued, that the financial resources of the Borrower will be the only source of payment on the Long Term Bonds. There can be no assurance that the financial resources of the Borrower will be sufficient to pay the principal of, premium if any, and interest on the Long Term Bonds in the event the Trustee is forced to seek recourse against the Borrower. See “SECURITY AND SOURCES OF PAYMENT FOR THE LONG TERM BONDS” herein.

### **Performance of the Project and Estimated Rental Revenue**

The economic feasibility of a Project depends in large part upon the Project maintaining substantial occupancy throughout the term of the Long Term Bonds at rents sufficient to cover all operating expenses of the Project and debt service on the Mortgage Loan. Although representatives of the Borrower believe, based on surveys of the area where the Project is located, that a substantial number of persons currently need housing facilities such as the Project, occupancy of the Project may be affected by competition from existing housing facilities or from housing facilities which may be constructed in the area served by the Project. While the Borrower believes the Project is needed, there may be difficulties in keeping the Project substantially occupied. Furthermore, no assurance can be given that the low-income tenants are able to afford the rental rates of the Project, notwithstanding the below-market rental rates. Restrictions imposed under the Code on tenant income and the rent that can be charged could have an adverse effect on the Borrower’s ability to

satisfy its obligations under the Financing Agreement, especially if operating expenses should increase beyond what was anticipated.

### **Limited Liability of Administration**

Notwithstanding anything in the Indenture or in the Bonds, the Administration shall not be required to advance any money derived from any source other than the Trust Estate, consisting of Eligible Funds, MBS Revenues and other assets pledged under the Indenture for any of the purposes of the Indenture.

No agreements or provisions contained in the Indenture, nor any agreement, covenant or undertaking by the Administration contained in any document executed by the Administration in connection with the Project or the issuance, sale and delivery of the Bonds shall give rise to any pecuniary liability of the Administration or a charge against its general credit, or shall obligate the Administration financially in any way except from the respective application of the Trust Estate, consisting of Eligible Funds, MBS Revenues and other proceeds pledged to the payment of the Bonds and the proceeds of the Bonds. No failure of the Administration to comply with any term, condition, covenant or agreement in the Indenture or in any document executed by the Administration in connection with the Project or the issuance, sale and delivery of the Bonds shall subject the Administration to liability for any claim for damages, costs or other financial and pecuniary charge except to the extent that the same can be paid or recovered under the Financing Agreement or from the Trust Estate, consisting of Eligible Funds, MBS Revenues and other assets pledged to the payment of the Bonds or the proceeds of the Bonds. THE ADMINISTRATION HAS NO TAXING POWER.

### **Secondary Markets and Prices**

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

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

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

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

### **Business Disruption Risk; COVID-19**

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Administration’s ability to conduct its business.

One such external event is the recent global outbreak of COVID-19 (“**COVID-19**”), a respiratory disease declared to be a pandemic (the “**Pandemic**”) by the World Health Organization and an emergency by the State and the federal government, which is affecting the national capital markets and which may negatively impact the State’s housing market and its overall economy. The threat from the Pandemic is being addressed on a national, federal, state and local level in various forms, including executive orders and legislative actions (“**Government Actions**”). While it is generally expected that new Government Actions may be enacted, extended, modified, litigated, or allowed to expire, no guarantee can be made with regards to the duration and/or effectiveness of any such legislation or orders.

The continuation of the Pandemic and the resulting containment and mitigation efforts could have a material adverse effect on the Administration, the Borrower, and their respective operations.

There can be no assurances that the spread of a pandemic, including the COVID-19 Pandemic, will not materially impact both local and national economies and, accordingly, have a materially adverse impact on the Project's operating and financial viability. This could include, among other things, the length of time necessary to complete the construction and/or rehabilitation of the Project, suspension or delay of site inspections and other on-site meetings, the engagement of material participants in the Project, the length of time necessary to conduct lease-up at the Project, and increased delinquencies and/or vacancies, all of which could impact the Borrower's ability to cover scheduled debt service payments on the Mortgage Loan and result in an acceleration thereof and a corresponding redemption of the Bonds. See "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds" herein.

The Pandemic is an ongoing situation. At this time, neither the Administration nor the Borrower has observed any material impact of the Pandemic on the ability of the Administration to issue the Bonds, but the Administration and the Borrower cannot determine the overall impact that the Pandemic, including the federal and State responses thereto, will have on their respective programs and operations, including, with respect to the Administration, its ability to finance the Mortgage Loan, and with respect to the Borrower, its ability to cover scheduled debt service payments on the Mortgage Loan.

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the matters referred to under this section. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could alter or amend the matters referred to under this section. It cannot be predicted whether any such legislative proposals will be enacted, whether any such regulatory actions will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

#### **Limitation of Remedies**

Remedies available under the Indenture, Financing Agreement and Regulatory Agreement are limited in certain respects. See "ENFORCEABILITY OF REMEDIES" herein.

#### **The Administration's Sustainability Criteria May Not Align with Investor Criteria**

Although the Administration has determined that the Bonds qualify as Sustainability Bonds, based upon the Administration's sustainability criteria, there can be no assurance that such qualification will satisfy the investment criteria or guidelines applicable to any particular investor or its investments, including with regard to social, green, sustainability or similar impacts, requirements or criteria.

Investors should bear in mind that there currently is no widely accepted legal, regulatory or other definition to be applied in determining what qualifies as a "social," "green," "sustainable" or similarly-labeled project or investment, and no market consensus on the precise attributes required for any such determination. Accordingly, there can be no assurance that the Bonds will meet or satisfy investor expectations, requirements or objectives for "social," "green," "sustainable" or similar projects or investments, or that adverse environmental, social or other impacts will not arise in connection with the Mortgage Loan. The foregoing considerations may adversely affect the market value or liquidity of the Bonds.

#### **Summary**

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the Appendices hereto.

### **TAX MATTERS**

#### **Opinion of Bond Counsel**

In the opinion of Bond Counsel, under existing laws, regulations, rulings and court decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants described herein, interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which the Bond is held

by a person who is a “substantial user” of the facilities financed with the proceeds of the Bonds or a “related person” within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax.

In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Administration and the Borrower in connection with the Bonds, and Bond Counsel has assumed compliance by the Administration and the Borrower with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel, under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, is exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds, and renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Bonds, or under state and local tax law.

### **Certain Ongoing Federal Tax Requirements and Covenants**

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal Government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Administration has covenanted in the Bond and Loan transaction documents that it shall do and perform all acts necessary or desirable to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code. The Administration will deliver a tax certificate concurrently with the issuance of the Bonds which will contain provisions relating to compliance with the requirements of the Code. The Administration also has required or will require the Borrower to make certain covenants in the Bond and Loan transaction documents relating to compliance with the requirements of the Code. No assurance can be given, however, that in the event of a breach of any such covenant, the remedies available to the Administration or the owners of the Bonds can be enforced judicially in a manner to assure compliance with the Code and therefore to prevent the loss of the exclusion from gross income of the interest on the Bonds for Federal income tax purposes.

### **Low-Income Set-Aside Requirements under the Code**

The Bonds are subject to the low-income set-aside and other requirements for qualified residential rental projects under the Code which are described briefly under this subheading. The Code requires that at least 95 percent of the net proceeds of exempt facility bonds under Section 142(a)(7) (after reduction for amounts applied to fund a reasonably required reserve fund) be used to provide “qualified residential rental projects.” The Code defines a residential rental project as a project containing units with separate and complete facilities for living, sleeping, eating, cooking and sanitation that are available to the general public and are to be used on other than a transient basis.

Section 142(d) of the Code requires that during the qualified project period (i) at least 20% of the completed units in a project be continuously occupied by individuals and families whose annual adjusted income does not exceed 50% of the area median income (with adjustments for family size), or (ii) at least 40% of the completed units in a project be continuously occupied by individuals and families whose annual adjusted income does not exceed 60% of the area median income (with adjustments for family size). The Administration elects one of the low-income set-aside requirements for each project prior to the issuance of bonds under Section 142(d)(7). In addition, all of the units in any project must be rented or available for rental on a continuous basis throughout the applicable qualified project period. The “qualified project period” begins on the first day upon which 10% of the units in a project are occupied and ends on the latest of (i) the date that is 15 years after the date upon which 50% of the residential units in such project are occupied, (ii) the first day on which no tax exempt private activity bond issued with respect to the project is outstanding,

or (iii) the date upon which any assistance provided with respect to the project under Section 8 of the United States Housing Act of 1937, as amended, terminates.

A project generally will meet the continuing low-income set aside requirement so long as a tenant's income does not increase to more than 140% of the applicable income limitation. Generally, upon an increase of a tenant's income over 140% of the applicable income limitation, the next available unit of comparable or smaller size in the applicable project must be rented to a tenant whose income does not exceed the applicable income limitation; provided however, that if tax credits under Section 42 of the Code are awarded to the project, the next available unit of comparable or smaller size in the same building as the tenant whose income has increased over 140% of the applicable income limitation must be rented to a tenant whose income does not exceed the applicable income limitation. The Code requires annual certifications to be made to the Secretary of the Treasury regarding compliance with the applicable income limitations.

### **Other Set-Aside Requirements**

In addition to the above-described set-aside requirements, the Project also may be subject to the income, occupancy and other like restrictions of other participants to the financing.

### **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences for various categories of persons, such as corporations (including S Corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. The extent of these collateral tax consequences will depend upon such owner's particular tax status and other items of income or deduction, and Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by the Code.

### **Original Issue Discount**

"Original issue discount" ("**OID**") is the excess of the sum of all amounts payable at the stated maturity of a Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, OID on a Bond having OID (a "**Discount Bond**") accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Generally, such OID is amortized over the term of any such Discount Bonds, and such amortized amount is treated as tax-exempt interest. Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

### **Bond Premium**

In general, if an owner acquires a Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Bond (a "**Premium Bond**"). An owner of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the owner's yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the owner's yield to the call date and giving effect to any call premium). As premium is amortized, the amount



of the amortization offsets a corresponding amount of interest for the period, and the owner's basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Bond prior to its maturity. Even though the owner's basis may be reduced, no federal income tax deduction is allowed. Owners of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

### **Miscellaneous**

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

## **NO LITIGATION**

### **The Administration**

There is no pending litigation of any nature restraining or enjoining or seeking to restrain or enjoin the issuance, sale and delivery of any of the Bonds or in any way contesting or affecting the validity of any of the Bonds, the Indenture or other proceedings of the Secretary taken with respect to the authorization, issuance, sale and delivery of any of the Bonds, or the pledge or application of any moneys under the Indenture, or the existence or powers of the Administration.

### **The Borrower**

There is no legal action, suit, proceeding, investigation or inquiry at law or in equity, before or by any court, agency, arbitrator, public board or body or other entity or person, pending or, to the best knowledge of the Borrower, threatened against or affecting the Borrower or any partner of the Borrower, in their respective capacities as such, nor, to the knowledge of the Borrower, any basis therefor, (i) which would restrain or enjoin the issuance or delivery of the Bonds, the use of the Official Statement in the marketing of the Bonds or the collection of revenues pledged under or pursuant to the Indenture or (ii) which would in any way contest or affect the organization or existence of the Borrower or the entitlement of any officer of the Borrower to its position or (iii) which would contest or have a material and adverse effect upon (A) the due performance by the Borrower of the transactions contemplated by the Official Statement, (B) the validity or enforceability of the Bonds or any other agreement or instrument to which the Borrower is a party

and that is used or contemplated for use in the consummation of the transactions contemplated hereby and thereby, (C) the exclusion from gross income for federal income tax purposes of the interest on the Bonds or (D) the financial condition or operations of the Borrower, (iv) which contests in any way the completeness or accuracy of the Official Statement or (v) which questions the power or authority of the Borrower to carry out the transactions on its part contemplated by the Official Statement, or the power of the Borrower to own or operate the Project. The Borrower is not subject to any judgment, decree or order entered in any lawsuit or proceeding brought against it that would have such an effect.

## CERTAIN LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to an approving opinion of Kutak Rock LLP, Washington, D.C., Bond Counsel to the Administration. Complete copies of the proposed form of Bond Counsel opinion to be delivered in connection with each series of the Bonds are contained in APPENDIX I hereto. Certain legal matters will be passed upon for the Administration by an Assistant Attorney General of the State of Maryland as Counsel to the Department. Certain legal matters will be passed upon for the Borrower by its counsel, Klein Hornig LLP, Washington, D.C., and for the Underwriters by their counsel, Orrick, Herrington & Sutcliffe LLP, New York, New York.

Payment of the fees of certain counsel to the transaction is contingent upon the issuance and delivery of the Bonds as described herein.

## UNDERWRITING

Wells Fargo Bank, National Association (the “**Representative**”), as representative of itself and Jefferies LLC (together, the “**Underwriters**”), each a “participating underwriter” as defined in 15c2-12 and an “underwriter” as defined in Section 2(a)(11) of the Securities Act of 1933, as amended, has entered into a bond purchase agreement with the Borrower and the Administration (the “**Bond Purchase Agreement**”) to purchase all of the Bonds, if any of the Bonds are to be purchased, at a price equal to the principal amount thereof. The Bond Purchase Agreement provides that, as compensation for their services, the Underwriters will receive the aggregate amount of \$138,112.35 (inclusive of their fees and expenses related to the issuance of the Bonds and inclusive of the fees of the Underwriters’ counsel) from the Borrower. The obligation of the Underwriters to pay for the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement. The Borrower has agreed to indemnify the Underwriters and the Administration as to certain matters in connection with the Bonds.

The Underwriters may offer and sell any of the Bonds to certain dealers (including dealers depositing such Bonds into investment trusts) and certain dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside cover page hereof.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as “**CIB**,” “**Wells Fargo Securities**” or “**WFS**”) is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association (“**WFBNA**”), a member of the National Futures Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Finance Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA, acting through its Municipal Finance Group, one of the underwriters of the Bonds, has entered into an agreement (the “**WFA Distribution Agreement**”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“**WFA**”), for the distribution of certain municipal securities offerings, including the Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the Bonds with WFA. WFBNA has also entered into an agreement (the “**WFSLLC Distribution Agreement**”) with its affiliate Wells Fargo Securities, LLC (“**WFSLLC**”), for the distribution of municipal securities offerings, including the Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

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

The Underwriters have provided the following information for inclusion in this Official Statement: The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, municipal advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters and their affiliates may have, from time to time, performed and may in the future perform, such services for the Administration or the Borrower for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans, interest rate swaps and/or credit default swaps) for their own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. The Underwriters do not make a market in credit default swaps with respect to municipal securities at this time but may do so in the future. Such investment securities activities may involve securities and instruments of the Administration, including the Bonds, or the Borrower.

The Underwriters and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

### RATINGS

Moody's Investors Service, Inc. (the "**Rating Agency**") has assigned its bond rating of "Aaa" to each series of the Bonds. An explanation of the significance of such rating may be obtained from the Rating Agency. The ratings of the Bonds reflects only the views of the Rating Agency at the time such ratings were given, and neither the Administration nor the Borrower nor the Underwriters makes any representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the Rating Agency, if in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

### CONTINUING DISCLOSURE

The Administration is not an "obligated person" under the Rule (as defined herein) with respect to the Bonds and has no ongoing disclosure obligations with respect to the Bonds. The Borrower, as the only "obligated person" with respect to the Bonds, will enter into a Continuing Disclosure Agreement, dated as of August 1, 2022 (the "**Continuing Disclosure Agreement**"), with Wilmington Trust, National Association, acting as Dissemination Agent, pursuant to which the Borrower will agree to provide ongoing disclosure pursuant to the requirements of Rule 15c2-12 of the United States Securities and Exchange Commission (the "**Rule**"). Financial statements will be provided at least annually to the Municipal Securities Rulemaking Board (the "**MSRB**"), and notices of certain events will be issued pursuant to the Rule. Information will be filed with the MSRB through its Electronic Municipal Market Access ("**EMMA**") system, unless otherwise directed by the MSRB. A form of the Continuing Disclosure Agreement is attached hereto as APPENDIX G.

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

The Borrower has not previously been subject to the continuing disclosure requirements of the Rule.

### THE TRUSTEE

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

The Administration has appointed Wilmington Trust, National Association as Trustee under the Indenture. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System.

The Trustee is to carry out such duties as are assigned to it under the Indenture, the Financing Agreement, and the other Financing Documents. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture or the Bonds (except for the certificate of authentication on each Bond), or for the validity, sufficiency, or legal effect of any of such documents.

Furthermore, the Trustee has no oversight responsibility, and is not accountable, for the use or application of any of the Bonds authenticated or delivered pursuant to an Indenture or for the use or application of the proceeds of such Bonds. The Trustee has not evaluated the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the value or condition of any assets or revenues pledged or assigned as security for the Bonds, the technical or financial feasibility of the expected uses of proceeds of the Bonds or the investment quality of the Bonds, about all of which the Trustee expresses no opinion and expressly disclaims the expertise to evaluate.

### **ENFORCEABILITY OF REMEDIES**

The remedies available to the Trustee, the Administration and the Bondholders upon an Event of Default under the Indenture, the Financing Agreement or the Regulatory Agreement are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing law and judicial decisions, including specifically the Federal Bankruptcy Code, the remedies provided for under the Indenture, the Financing Agreement or the Regulatory Agreement may not be readily available or may be limited.

In addition, the Financing Agreement provides that the payment obligations of the Borrower contained therein (other than certain obligations to the Administration and the Trustee) will be limited obligations payable solely from the income and assets of the Borrower, and that no partner of the Borrower will have any personal liability for the satisfaction of any payment obligation of the Borrower under such agreement or of any claim against the Borrower arising out of such agreement or the Indenture.

The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of various legal instruments by limitations imposed by the valid exercise of the constitutional powers of the State and the United States of America and bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

### **FINANCIAL ADVISORS**

Caine Mitter & Associates Incorporated and People First Financial Advisors (collectively the “Financial Advisors”) have served as financial advisor to the Administration on certain matters in connection with the sale of the Bonds. The Financial Advisors have not conducted any municipal advisory activities for any obligated person other than the Administration in connection with the issuance of the Bonds. The Financial Advisors have not been engaged by the Administration to compile, create or interpret any information in this Official Statement. Information contained in this Official Statement has not been independently verified by the Financial Advisors, and inclusion of such information is not, and should not, be construed as a representation by the Financial Advisors as to its accuracy or completeness or otherwise. The Financial Advisors are not a public accounting firm and have not been engaged by the Administration to review or audit any information in this Official Statement in accordance with accounting standards. The Financial Advisors do not have any responsibility for the provisions contained in any of the legal documents.

### **ADDITIONAL INFORMATION**

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Administration and the purchasers or holders of any of the Bonds.

This Official Statement has been deemed final in accordance with the Rule. The execution and delivery of this Official Statement has been duly authorized by the Borrower.

This Official Statement has been duly authorized, executed and delivered by the Administration and the Borrower.

**COMMUNITY DEVELOPMENT ADMINISTRATION  
MARYLAND DEPARTMENT OF HOUSING AND  
COMMUNITY DEVELOPMENT**

By: 

\_\_\_\_\_  
Gregory V. Hare, Acting Director

[Signatures Continue on Following Page]

[Borrower's Signature Page to Official Statement]

**ROSLYN RISE FOUR, LLC**

By: ECD Roslyn Rise Four, LLC,  
its Managing Member

By: Enterprise Community Development, Inc.,  
a Maryland non-stock corporation,  
its Sole Member

By:   
Name: Stacie Birenbach  
Title: Senior Director, Real Estate Development

## APPENDIX A

### FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

*This summary of the Fannie Mae Mortgage Backed Securities Program applies to the MBS issued for the Project. This summary of the Fannie Mae Mortgage Backed Securities Program, the Fannie Mae Certificates and the documents referred to herein has not been provided or approved by Fannie Mae, does not purport to be comprehensive and is qualified in its entirety by reference to the Fannie Mae MBS Prospectus (Multifamily Fixed-Rate Declining Premium) for Guaranteed Mortgage Pass-Through Certificates (the “**Fannie Mae MBS Prospectus**”) which will be available and can be found if and when the MBS is issued, by inputting the CUSIPs shown in APPENDIX H hereto into Fannie Mae’s multifamily disclosure system, DUS Disclose (<https://mfdusdisclose.fanniemae.com/#/home>). The template for the Fannie Mae MBS Prospectus, as of the date of this Official Statement, can be found at <https://capitalmarkets.fanniemae.com/media/21721/display>. If the MBS were issued on the date of this Official Statement, the Fannie Mae MBS Prospectus would consist of the template for Fannie Mae MBS Prospectus with the cover page completed with the MBS-specific information, an Additional Disclosure Addendum substantially in the form attached as Schedule I to this Appendix A, and an Annex A containing information substantially consistent with the Term Sheet attached hereto as Appendix H, assuming that the Mortgage Loan is originated in the maximum amount of the Lender Commitment without any modification or amendment to any of the conditions to the origination of the Mortgage Loan in the Lender Commitment. **THERE CAN BE NO ASSURANCE, GUARANTEE OR REPRESENTATION, HOWEVER, AS TO THE FORM OF THE FANNIE MAE MBS OR THE CONTENTS OF THE FANNIE MAE PROSPECTUS OR EVEN WHETHER OR NOT A PROSPECTUS OR ANY DISCLOSURE RELATING TO THE FANNIE MAE MBS WILL BE PROVIDED IF AND WHEN THE FANNIE MAE MBS IS ISSUED, WHICH COULD BE THIRTY (30) MONTHS OR MORE FROM THE DATE OF THIS OFFICIAL STATEMENT. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE ORIGINATION OF THE MORTGAGE LOAN AND THE ISSUANCE OF THE FANNIE MAE MBS, ARE SUBJECT TO SIGNIFICANT CONDITIONS RELATING TO THE CONSTRUCTION, FINANCING AND LEASING OF THE PROJECT BY NO LATER THAN THE TERMINATION DATE.***

*This summary of the Fannie Mae Mortgage Backed Securities Program has been obtained from sources that the Administration and the Borrower believe to be reliable, but neither the Administration, the Underwriters nor the Borrower takes responsibility for the accuracy thereof.*

Security.....Guaranteed Mortgage Pass-Through Certificates (Multifamily Residential Mortgage Loans)

General .....Fannie Mae is a government-sponsored enterprise that was chartered by the U.S. Congress in 1938 under the name “Federal National Mortgage Association” to support liquidity and stability in the secondary mortgage market, where existing mortgage loans are purchased and sold. The address of its principal office is 1100 15th Street, NW, Washington, DC 20005; the telephone number is 800-2FANNIE (800-232-6643).

Fannie Mae has been under conservatorship since September 6, 2008. The conservator, the Federal Housing Finance Agency (“**FHFA**”), succeeded to all rights, titles, powers and privileges of Fannie Mae and of any shareholder, officer or director of the company with respect to the company and its assets. For additional information on the conservatorship, see “**FANNIE MAE — Regulation and Conservatorship**” in the Fannie Mae MBS Prospectus.

Fannie Mae’s regulators include FHFA, the U.S. Department of Housing and Urban Development (“**HUD**”), the Securities and Exchange Commission (the “**SEC**”), and the U.S. Department of the Treasury (the “**Treasury**”). The Office of Federal Housing Enterprise Oversight, the predecessor of FHFA, was Fannie Mae’s safety and soundness regulator prior to enactment of the Federal Housing Finance Regulatory Reform Act of 2008.

On September 7, 2008, Fannie Mae entered into a senior preferred stock purchase agreement with the Treasury pursuant to which Fannie Mae issued to

it one million shares of senior preferred stock and a warrant to purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae. **Nevertheless, Fannie Mae alone is responsible for making payments under its guaranty. The MBS if issued by Fannie Mae and acquired by the Trustee and payments of principal and interest on the MBS will not be guaranteed by the United States and do not constitute a debt or obligation of the United States or any of its agencies or instrumentalities other than Fannie Mae.**

Sponsor and Depositor.....	Fannie Mae is the sponsor of this offering of certificates and the depositor of the mortgage loans into the trust.
Description of MBS .....	The MBS if issued by Fannie Mae and acquired by the Trustee will represent a pro rata undivided beneficial ownership interest in (i) the Mortgage Loan or (ii) the pool of mortgage loan participation interests that comprise the trust. See “MORTGAGE LOAN” in the Official Statement. Fannie Mae will issue the MBS in book-entry form on the book-entry system of the U.S. Federal Reserve Banks. The book-entry MBS will not be convertible into physical certificates.
Minimum Denomination .....	Fannie Mae will issue the MBS in minimum denominations of \$1,000, with additional increments of \$1.
Issue Date .....	The date specified on the front cover page, which is the first day of the month in which the MBS is issued.
Settlement Date .....	The date specified on the front cover page, which is a date no later than the last business day of the month in which the issue date occurs.
Distribution Date .....	The “Distribution Date” is the 25th day of each month which is the date designated for payments to the Trustee as holder of the MBS, if issued. If that day is not a Business Day, payments will be made on the next Business Day. The first Distribution Date for the MBS will occur in the month following the month in which the MBS is issued. For example, if the issue date is January 1st, the distribution date is February 25th or, if February 25th is not a Business Day, the first Business Day following February 25th.
Maturity Date.....	The date specified on the front cover page, which is the date that the final payment is due on the last mortgage loan remaining in the pool.
Use of Proceeds .....	The MBS is backed by a pool of one or more mortgage loans that Fannie Mae recently acquired or already owned. Fannie Mae is issuing the MBS either in exchange for the recently acquired mortgage loans or for cash proceeds that are generally used for purchasing other mortgage loans or for general corporate purposes.
Interest .....	On each Distribution Date, Fannie Mae will pass through on the MBS, if issued, one month’s interest at the “Pass-Through Rate”.

Because Fannie Mae’s guaranty requires it to supplement amounts received by the trust as required to permit timely payment of interest, the amount of interest distributed to certificate holders on a Distribution Date will not be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

As described under the caption “**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**” which can be found at <https://capitalmarkets.fanniemae.com/media/21721/display>, the MBS and payments on the MBS, including interest payments thereon, are subject to federal income taxation. Such interest payments only become excluded from gross income for federal income tax purposes and excluded from taxation by the State, to the extent described elsewhere herein, when applied by the Trustee



to pay interest due on the Bonds. See “TAX MATTERS” in the Official Statement herein.

Principal..... Fannie Mae will receive collections on the Mortgage Loan on a monthly basis.

The period Fannie Mae uses to differentiate between collections in one month and collections in another month is called the due period. The due period is the period from and including the second calendar day of the preceding month in which the Distribution Date occurs to and including the first calendar day of the month in which the Distribution Date occurs.

On each Distribution Date, Fannie Mae will pass through principal of the MBS, if issued, as follows:

- the aggregate amount of the scheduled principal due on the Mortgage Loan in the pool during the related due period; and
- the aggregate amount of the unscheduled principal payments specified below:
  - the stated principal balance of the Mortgage Loan as to which prepayments in full were received during the calendar month immediately preceding the month in which that Distribution Date occurs;
  - the stated principal balance of the Mortgage Loan if it was purchased from the pool during the calendar month immediately preceding the month in which that Distribution Date occurs; and
  - the amount of any partial prepayments on the Mortgage Loan that were received during the calendar month immediately preceding the month in which that Distribution Date occurs.

Because Fannie Mae’s guaranty requires it to supplement amounts received by the trust as required to permit timely payment of the principal amounts specified above, the amount of principal distributed to certificate holders on a Distribution Date will not be affected by any loss mitigation measure, taken with respect to, or other loan modification made to, the Mortgage Loan while it remains in the trust.

Fannie Mae may treat a prepayment in full received on the first Business Day of a month as if the prepayment were received on the last Business Day of the preceding month. If Fannie Mae does so, it passes through these prepayments on the Distribution Date in the same month in which the prepayment actually was received. For example, if a prepayment on the Mortgage Loan in full is actually received on the first Business Day of July, it would be treated as if it had been received on the last Business Day of June and, therefore, would be passed through on July 25th (or the next Business Day, if July 25th is not a Business Day).

The Mortgage Loan permits the reamortization of principal after a permitted voluntary prepayment or an involuntary partial prepayment caused by the receipt of proceeds from insurance or condemnation. A reamortization of the Mortgage Loan will cause a change in the amount of principal that is passed through to holders of the MBS.

Monthly Related Factors ..... On or about the fourth Business Day of each month, Fannie Mae publishes the monthly pool factor for each issuance of its Certificates. If an investor multiplies the monthly pool factor by the original principal balance of the MBS, the investor will obtain the current principal balance of the MBS, after giving effect to the monthly principal payment to be passed through on the Distribution Date in that month. The most current pool factor is generally available through DUS Disclose on Fannie Mae’s website at <https://mfdu disclose.fanniemae.com/#/home>.

Guaranty .....	<p>Fannie Mae guarantees to each trust that on each Distribution Date it will supplement amounts received by the trust as required to permit payments on the MBS in an amount equal to:</p> <ul style="list-style-type: none"> <li>• the aggregate amounts of scheduled and unscheduled principal payments described in “—Principal” above, and</li> <li>• an amount equal to one month’s interest on the MBS, as described in “—Interest” above.</li> </ul> <p>In addition, Fannie Mae guarantees to the related trust that it will supplement amounts received by the trust as required to make the full and final payment of the unpaid principal balance of the related certificates on the Distribution Date in the month of the maturity date specified in the prospectus supplement.</p> <p>Certificateholders have certain limited rights to bring proceedings against the Treasury if Fannie Mae fails to pay under its guaranty. The total amount that may be recovered from the Treasury is subject to limits imposed in the senior preferred stock purchase agreement. For a description of Certificateholders’ rights to proceed against Fannie Mae and the Treasury, see <b>“FANNIE MAE—Certificateholders’ Rights Under the Senior Preferred Stock Purchase Agreement”</b> in the Fannie Mae MBS Prospectus.</p>
Prepayments .....	<p>A borrower may voluntarily prepay the loan in full after the prepayment lockout period, as disclosed in <b>APPENDIX H to this Official Statement—“THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET—Term Sheet—Multifamily Schedule of Loan Information—Prepayment Lockout Period”</b> and on Annex A. Except during the open period, each mortgage loan in the pool requires payment of a prepayment premium if the loan is prepaid voluntarily, as disclosed on Annex A. A portion of the prepayment premium, if collected, may be shared with Certificateholders under the circumstances described in <b>“YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan”</b> in the Fannie Mae MBS Prospectus. <b>Fannie Mae does not guarantee to any trust the payment of any prepayment premiums.</b></p>
Master Servicing/Servicing.....	<p>Fannie Mae is responsible as master servicer for certain duties. Fannie Mae has contracted with the mortgage servicer identified on Annex A to perform servicing functions for us subject to our supervision. Fannie Mae refers to this servicer or any successor servicer as its primary servicer. In certain limited circumstances, Fannie Mae may act as primary servicer. For a description of Fannie Mae’s duties as master servicer and the responsibilities of its primary servicer, see <b>“THE TRUST DOCUMENTS—Collections and Other Servicing Practices”</b> and <b>“FANNIE MAE PURCHASE PROGRAM—Servicing Arrangements”</b> in the Fannie Mae MBS Prospectus.</p>
Business Day .....	<p>Any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent is closed, a day when the Federal Reserve Bank of New York is closed or is authorized or obligated by law or executive order to remain closed, or, for purposes of withdrawals from a certificate account, a day when the Federal Reserve Bank is closed in the district where the certificate account is maintained if the related withdrawal is being made from that certificate account.</p>
Trust Documents .....	<p>If issued, the MBS will be issued pursuant to the applicable Trust Agreement relating to the MBS issued at that time, as supplemented by a trust issue supplement for that issuance. Certain pertinent provisions of the trust agreement in the Fannie Mae MBS Prospectus will apply. Investors should refer to the trust agreement and the related trust issue supplement for a complete description of their rights and obligations as well as those of Fannie Mae in its various capacities.</p>

Trustee .....	Fannie Mae serves as the trustee for the trust pursuant to the terms of the trust agreement and the related trust issue supplement.
Paying Agent .....	An entity designated by Fannie Mae to perform the functions of a paying agent. The Federal Reserve Bank of New York currently serves as Fannie Mae's paying agent for certificates such as the MBS.
Fiscal Agent.....	An entity designated by Fannie Mae to perform certain administrative functions for the trust. The Federal Reserve Bank of New York currently serves as Fannie Mae's fiscal agent for certificates such as the MBS.
Multifamily Mortgage Loan Pool. ..	<p>Each mortgage loan in the pool is a fixed-rate loan included in one of the following categories:</p> <ul style="list-style-type: none"> <li>• Fixed-rate loans with monthly payments of interest only during their entire loan terms, with a balloon payment of all outstanding principal at maturity;</li> <li>• Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest for their remaining loan terms, with a balloon payment of all outstanding principal at maturity;</li> <li>• Fixed-rate loans with monthly payments of interest only during specified initial periods, followed by monthly payments of principal and interest that fully amortize over their remaining loan terms;</li> <li>• Fixed-rate loans with monthly payments of principal and interest during their entire loan terms, with a balloon payment of all outstanding principal at maturity; and</li> <li>• Fixed-rate loans that fully amortize over their loan terms.</li> </ul>
Multifamily Mortgage Loans.....	Each mortgage loan in the pool was acquired from a multifamily mortgage loan seller that Fannie Mae has approved. A mortgage loan may have been originated by the seller or may have been acquired by the seller from the originator of the loan, which may or may not be an approved mortgage loan seller. Each mortgage loan that Fannie Mae acquires either meets its published standards (except to the extent that Fannie Mae permits waivers from those standards) or is reviewed by Fannie Mae before delivery to determine its suitability. Fannie Mae may modify its standards from time to time.
Types of Property .....	<p>Each mortgage loan in the pool is secured by a lien on one or more of the following types of property:</p> <ul style="list-style-type: none"> <li>• Multifamily residential properties;</li> <li>• Cooperative housing projects;</li> <li>• Dedicated student housing;</li> <li>• Manufactured housing communities;</li> <li>• Military housing; or</li> <li>• Seniors housing</li> </ul> <p>Annex A discloses the type of property securing each mortgage loan in the pool and the priority of each lien. Any type of property may also be considered affordable housing; Annex A discloses certain affordable housing characteristics.</p>
Termination .....	The trust will terminate when the certificate balance of the certificates has been reduced to zero, and all required distributions have been passed through to certificateholders. Fannie Mae has no unilateral option to cause an early termination of the trust other than by purchasing a mortgage loan from the pool for a reason permitted by the trust documents.

- Federal Income Tax Consequences . The mortgage pool will be classified as a fixed investment trust. Unless otherwise disclosed in the Additional Disclosure Addendum to the Fannie Mae Prospectus, Fannie Mae will file an election to treat the mortgage pool as a being included in the assets of a real estate mortgage investment conduit (“**REMIC**”). In that case, for federal income tax purposes the related certificate will represent ownership of a REMIC regular interest and an interest in any associated prepayment premiums, in each case, in respect of each mortgage loan in the pool. See “**MATERIAL FEDERAL INCOME TAX CONSEQUENCES**” in the Fannie Mae MBS Prospectus.
- Whole Pool Certificates ..... Fannie Mae’s counsel, Katten Muchin Rosenman LLP, has advised Fannie Mae that certificates issued under the trust documents that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in the related trust and with respect to which REMIC elections are made will qualify as “whole pool certificates” to the same extent as certificates that represent 100% of the beneficial interests in a pool of mortgage loans (or participation interests therein) held in a trust with respect to which no REMIC elections are made (including Fannie Mae guaranteed mortgage pass-through certificates issued prior to January 1, 2021).
- Resecuritization ..... Following the assignment of mortgage loans to a trust, the related certificates upon issuance will represent the initial securitization of the mortgage loans. Any further assignment of the certificates to a REMIC trust or other issuance vehicle will represent the initial res securitization of the mortgage loans. Certificates backed by mortgage loans with respect to which a REMIC election is made may be res securitized to the same extent as, and may be commingled freely with, certificates backed by mortgage loans with respect to which no REMIC election is made (including Fannie Mae guaranteed mortgage pass-through certificates issued prior to January 1, 2021).
- Legal Investment Considerations .... Under the Secondary Mortgage Market Enhancement Act of 1984, the certificates offered by this prospectus will be considered “securities issued or guaranteed by the Federal National Mortgage Association.” Nevertheless, investors should consult their own legal advisor to determine whether and to what extent the certificates of an issuance constitute legal investments for them.
- ERISA Considerations..... For the reasons discussed in “ERISA CONSIDERATIONS” in the Fannie Mae MBS Prospectus, an investment in the certificates by a plan subject to the Employee Retirement Income Security Act (“**ERISA**”) will not cause the assets of the plan to include the mortgage loans underlying the certificates or the assets of Fannie Mae under the fiduciary provisions of ERISA or the prohibited transaction provisions of ERISA or section 4975 of the Internal Revenue Code of 1986, as amended (the “**Code**”).

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**SCHEDULE I**  
**FORM OF ADDITIONAL DISCLOSURE ADDENDUM**

*The following information supplements the information in the Fannie Mae MBS Prospectus. In the event of any inconsistency between the information provided in this Addendum and the information in the Fannie Mae MBS Prospectus, the information in this Addendum shall prevail.*

The Mortgage Loan is an affordable housing loan and, accordingly, the mortgaged property (the “**Mortgaged Property**”) is subject to affordable housing regulatory requirements that impose income restrictions on tenants of the Mortgaged Property. See “**The Mortgage Loans—Affordable Housing Loans**”; “**RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties—The successful operation of a mortgaged property securing an affordable housing mortgage loan may depend upon additional factors**”; and “**RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgaged Properties—An affordable housing mortgage loan may be secured by a mortgaged property that has received an award of low-income housing tax credits but that fails to remain in compliance with the requirements for maintaining eligibility to receive the tax credits due to operations of the property or a casualty on the property**”. The mortgage loan documents (the “**Mortgage Loan Documents**”) provide that the Mortgage Loan is cross-defaulted with certain agreements relating to the Bonds entered into at the time of the issuance of the Bonds, including, but not limited to the Indenture and the Regulatory Agreement, which limits rents, imposes income restrictions and otherwise restricts the use of the property.

The mortgaged property benefits from a payment in lieu of taxes (PILOT) agreement pursuant to Section 7-503 of the Tax Property Article of the Annotated Code of Maryland. Pursuant to the PILOT agreement, for so long as the Borrower is controlled by a tax-exempt corporation and continues to comply with tenant income limits established in recorded covenants, Borrower's payment in lieu of taxes is projected to be approximately 25% of the property taxes otherwise projected. See “**THE MORTGAGE LOANS—Characteristics of Multifamily Properties—Mortgage Loan Secured by Property Receiving Real Estate Tax Benefits**” and “**RISK FACTORS—RISKS RELATING TO YIELD AND PREPAYMENT—Prepayments Relating to Specific Types of Mortgage Loans and Mortgage Properties—A mortgaged property may benefit from a state or local property tax exemption or tax abatement that requires the borrower and the property to maintain compliance with specific requirements. The failure to meet those requirements may be an event of default under the mortgage loan**” in the Fannie Mae MBS Prospectus for additional information.

Because the Mortgage Loan Documents provide that the Mortgage Loan is cross-defaulted with certain of the agreements relating to the Bonds, a default under any of the cross-defaulted documents may trigger an event of default on the Mortgage Loan. If Fannie Mae accelerates the Mortgage Loan as a result of any event of default under the Mortgage Loan, the Mortgage Loan will be paid in full, and the stated principal balance of the MBS will be passed through to the holder of the MBS. In this case, no yield maintenance or other prepayment premiums will be payable to the holder of the MBS.

Affiliates of the Lender, including the guarantor, the Managing Member and the fund manager of the Tax Credit Investor, control the Borrower and have an approximately 0.02% aggregate ownership interest in the Borrower.

In addition to the matters described above, the eligible multifamily lender originating each mortgage loan may request the disclosure of additional matters relating to each mortgage loan or, upon delivery of the mortgage loans to Fannie Mae, in Fannie Mae's discretion, it may determine that matters identified in the Term Sheet attached as APPENDIX H to the Official Statement or otherwise may need to be disclosed in the Additional Disclosure Addendum provided in connection with the issuance of the MBS certificates.

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## APPENDIX B

### DEFINITIONS OF CERTAIN TERMS

*Certain capitalized terms used in this Official Statement, to the extent not elsewhere defined herein, are defined below. The following is subject to all the terms and provisions of the Indenture, to which reference is hereby made and copies of which are available from the Trustee.*

“Act” means Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, and the regulations now or hereafter promulgated thereunder.

“Administration” means the Community Development Administration, a unit of the Division of Development Finance of the Department of Housing and Community Development, a principal department of the State of Maryland.

“Administration Fees and Expenses” means, collectively, the Ordinary Administration Fees and Expenses and the Extraordinary Administration Fees and Expenses. The Administration Fees and Expenses shall be payable by the Borrower, and not from funds pledged to the benefit of the Trust Estate.

“Authorized Borrower Representative” means any person who, at any time and from time to time, is designated as the Borrower’s authorized representative by written certificate furnished to the Administration and the Trustee containing the specimen signature of such person and signed on behalf of the Borrower by or on behalf of any authorized general partner of the Borrower if the Borrower is a general or limited partnership, by any authorized managing member or any authorized non-member manager of the Borrower if the Borrower is a limited liability company, or by any authorized officer of the Borrower if the Borrower is a corporation, which certificate may designate an alternate or alternates. The Trustee and the Administration may conclusively presume that a person designated in a written certificate filed with it as an Authorized Borrower Representative is an Authorized Borrower Representative until such time as the Borrower files with it (with a copy to the Administration) a written certificate revoking such person’s authority to act in such capacity. The initial Authorized Borrower Representative will be the person identified in the Indenture.

“Authorized Denomination” means (i) with respect to the Long Term Bonds, \$1,000 or any integral multiple of \$1.00 in excess thereof, and (ii) with respect to the Short Term Bonds, \$5,000, or any integral multiple of \$5,000 in excess thereof.

“Authorized Officer” means (i) the Secretary or the Deputy Secretary of the Department, the Director or the Deputy Director, Bond Finance of the Administration, any Director of any program or division of the Administration, or any other person duly authorized by the Secretary to perform such act or discharge such duty and (ii) any Vice President, Assistant Vice President or Banking Officer of the Trustee having regular responsibility for corporate trust matters.

“Bankruptcy Code” means the Federal Bankruptcy Code, Title 11 of the United States Code.

“Beneficial Owner” means the purchaser of a beneficial interest in the Bonds.

“Bond Counsel” means Kutak Rock LLP or such other counsel acceptable to the Administration and nationally recognized as having an expertise in connection with the exclusion of interest on obligations of state and local governmental units from the gross income of holders thereof for federal income tax purposes.

“Bond Dated Date” means (i) with respect to the Long Term Bonds, August 1, 2022, and (ii) with respect to the Short Term Bonds, the Closing Date.

“Bond Maturity Date” means (i) with respect to the Long Term Bonds, March 1, 2043; provided that the final payment of principal with respect to the related MBS will be made on March 25, 2043 and will be passed through to the Bondholders on the following Business Day, and (ii) with respect to the Short Term Bonds, November 1, 2024.

“Bond Proceeds Fund” means the Fund created and so designated in the Indenture.

“Bond Register” means the registration books of the Administration maintained by the Trustee as provided in the Indenture on which registration and transfer of the Bonds is to be recorded.

“Bondholder” or “holder” or “owner” of any Bond or any similar term means the person in whose name any Bond is registered.

“Book-Entry Bonds” means the Bonds for which a Depository or its Nominee is the Bondholder.

“Business Day” means any day other than a Saturday or Sunday, a day when the fiscal agent or paying agent for the MBS is closed, a day when the Federal Reserve Bank of New York is closed, or a day when the Federal Reserve Bank is closed in a district where a securities account is located if the related withdrawal is being made from that securities account, and, with respect to the Bonds, any such day that is also a day on which the Trustee is open for business.

“Cash Flow Projection” means, with respect to each Series of Bonds, cash flow projections prepared by an independent firm of certified public accountants, a financial advisory firm, a law firm or other independent third party qualified and experienced in the preparation of cash flow projections for structured finance transactions similar to the Bonds, establishing, to the satisfaction of the Rating Agency, as applicable, (1) that (a) the amounts on deposit with the Trustee in the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund, (b) projected investment income to accrue on amounts on deposit in the Bond Proceeds Fund, the Collateral Fund and the Revenue Fund during the applicable period, and (c) any additional Eligible Funds delivered to the Trustee by or on behalf of the Borrower are sufficient to pay (i) amounts due and payable on the Bonds on each Payment Date, (ii) the MBS Purchase Price on the MBS Delivery Date, including in the event that the Trustee intends to sell or otherwise dispose of Eligible Investments prior to maturity at a price below par, as described in the Indenture, and (iii) the purchase sale or exchange of Eligible Investment as provided in the Indenture, and (2) if requested by the Trustee, the Cash Value as set forth in the Indenture. The cost and expense of obtaining such Cash Flow Projections shall be the sole responsibility of the Borrower.

“Closing Date” means August 11, 2022.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the Regulations thereunder, or any successor statute, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the Treasury Department or Internal Revenue Service of the United States.

“Collateral Fund” means the Fund of that name created and so designated in the Indenture.

“Construction Lender” means Bank of America, N.A., in its capacity as maker of the Construction Loan.

“Construction Loan” means the loan made from the Construction Lender to the Borrower in the original principal amount set forth in the Indenture.

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, including, without limitation, the Construction Note and Construction Mortgage evidencing the Construction Loan.

“Construction Mortgage” means the Deed of Trust, Assignment, Security Agreement and Fixture Filing, dated as of the Closing Date, together with all riders and exhibits, securing the Construction Loan, executed by the Borrower in favor of the Construction Lender as lender and PRLAP, Inc. as trustee, as the same may be amended from time to time.

“Construction Note” means the Promissory Note dated as of the Closing Date from the Borrower payable to the order of the Construction Lender evidencing the Borrower’s obligation to repay the Construction Loan, as the same may be amended from time to time.

“Conversion Date” has the meaning set forth for such term in the Lender Commitment.

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

“Counsel’s Opinion,” “Opinion of Counsel,” or “Opinion” means a written opinion, including opinions supplemental thereto, signed by an attorney or firm of attorneys (who may be counsel for the Administration, the Borrower or Fannie Mae) acceptable to the Trustee.

“Depository” means, initially, DTC and any replacement securities depository appointed under the Indenture.

“DTC” means The Depository Trust Company, New York, New York.



“Electronic Means” means via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message or any other electronic means of communication approved in writing by Fannie Mae, the Administration and the Trustee.

“Eligible Funds” means:

- (a) the proceeds of the Bonds or any other amounts received by the Trustee from the Underwriters;
- (b) moneys drawn on a letter of credit;
- (c) any amounts received by the Trustee representing advances to the Borrower of proceeds of the Mortgage Loan or the Construction Loan, subject to prior approval of the Administration;
- (d) any other amounts for which the Trustee has received an Opinion of Counsel to the effect that the use of such amounts to make payments on the Bonds would not violate Section 362(a) of the Bankruptcy Code (or that relief from the automatic stay provisions of such Section 362(a) would be available from the bankruptcy court) or be avoidable as preferential payments under Section 547 or 550 of the Bankruptcy Code should the Borrower become a debtor in proceedings commenced under the Bankruptcy Code;
- (e) any payments held by the Trustee for a continuous period of 123 days, provided that no act of bankruptcy with respect to the Borrower has occurred during such period; and
- (f) investment income derived from the investment of the money described in (a) through (e) above.

“Eligible Investments” means any of the following investments which at the time are legal investments for moneys of the Administration which are then proposed to be invested therein and each of which investments must mature or be guaranteed to be able to be tendered at a price of par at such time or times as to enable timely disbursements to be made from the fund in which such investment is held or allocated in accordance with the terms of the Indenture:

- (a) Government Obligations; and
- (b) to the extent permitted herein, shares or units in any money market mutual fund rated “Aaa-mf” by Moody’s (or the equivalent Highest Rating Category given by the Rating Agency for that general category of security) including mutual funds of the Trustee or its affiliates or for which the Trustee or an affiliate thereof serves as investment advisor or provides other services to such mutual fund and receives reasonable compensation therefor) that are registered under the Investment Company Act of 1940, as amended, whose investment portfolio consist solely of direct obligations of the government of the United States of America.

“Extension Deposit” means the deposit of Eligible Funds described in the Indenture in connection with the delivery of the MBS Delivery Date.

“Extraordinary Administration Fees and Expenses” means the expenses and disbursements payable to the Administration under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Administration, Bond Counsel and counsel to the Administration which are to be paid by the Borrower pursuant to the Financing Agreement.

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

“Extraordinary Trustee Fees and Expenses” means the expenses and disbursements payable to the Trustee under the Indenture for Extraordinary Services and Extraordinary Expenses, including extraordinary fees, costs and expenses incurred by the Trustee and the Trustee’s counsel which are to be paid by the Borrower pursuant to the Financing Agreement.

“Fannie Mae” means the Federal National Mortgage Association, a body corporate created and existing under the laws of the United States of America (12 U.S.C. § 1717(a)), and any successor thereto.

“Fannie Mae Certificate” means a guaranteed mortgage pass-through Fannie Mae mortgage-backed security issued by Fannie Mae in book-entry form, recorded in the name of the Trustee or its nominee, guaranteed as to timely payment of principal of and interest by Fannie Mae, and backed by the Mortgage Loan.

“Fannie Mae Forward Commitment” means the Fannie Mae Forward Commitment, dated July 7, 2022, entered into between the Lender and Fannie Mae, as the same may be amended from time to time.

“Financing Agreement” means the Financing Agreement dated as of August 1, 2022, among the Administration, the Borrower and the Trustee.

“Financing Documents” means the Financing Agreement, the Regulatory Agreement, the Tax Certificate, the Mortgage Note, the promissory note evidencing the Short Term Loan, the Indenture and the Bond Purchase Agreement executed and delivered in connection with the Bonds, the Mortgage Loan and the Short Term Loan.

“Fund” or “Account” or “Subaccount” means a fund, account or subaccount created by or pursuant to the Indenture.

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

“Highest Rating Category” means, with respect to an Eligible Investment, that the Eligible Investment is rated by a Rating Agency in the highest rating given by that Rating Agency for that Rating Category, provided that such rating shall include but not be below “Aaa” or “Aaa/VMIG 1” if rated by Moody’s or “A-1+” or “AA+” if rated by S&P.

“Initial Termination Date” means September 1, 2025.

“Long Term Bond Interest Deposit” means Eligible Funds to be deposited on the Closing Date to the Long Term Bond Interest Deposit Subaccount, representing interest to be paid on the Long Term Bonds from the closing Date to the MBS Delivery Date Deadline.

“Long Term Bond Interest Deposit Subaccount” means the Series E-1 Interest Deposit Subaccount of the Long Term Bond Revenue Account.

“Long Term Bond Proceeds Account” means the Series E-1 Account of the Bond Proceeds Fund of the Indenture.

“Long Term Bond Revenue Account” means the Series E-1 Account of the Revenue Fund of the Indenture.

“Mandatory Redemption Date” means any date on which the Bonds are subject to mandatory redemption pursuant to the Indenture, as such date may be extended pursuant to such Indenture.

“MBS” means the Fannie Mae Certificate identified in the Indenture that is pledged by the Administration to the Trustee pursuant to the Indenture.

“MBS Dated Date” means the first day of the month in which the MBS is delivered.

“MBS Delivery Date” means the date on which the Trustee receives the MBS backed by the Mortgage Loan, which will occur not less than five days after the Trustee receives written notice of such date from the Lender and not later than the MBS Delivery Date Deadline.

“MBS Delivery Date Deadline” means September 25, 2025, or, if such day is not a Business Day, the following Business Day, as such date may be extended pursuant to the Indenture.

“MBS Purchase Price” means the principal amount outstanding on the Mortgage Loan as of the MBS Delivery Date plus accrued interest on the MBS from the MBS Dated Date to the MBS Delivery Date at the Pass-Through Rate.

“MBS Revenues” means all payments made under and pursuant to the MBS.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency designated by Fannie Mae that assigns credit ratings.

“Mortgage” means the Multifamily Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of August 1, 2022, together with all riders and exhibits, securing the Mortgage Loan, executed by the Borrower in favor of the Lender, as the same may be amended from time to time.

“Mortgage Loan” means the interest-bearing loan to the Borrower for multifamily housing relating to the Project, if originated on the Conversion Date, which is evidenced by the Mortgage Note and secured by the Mortgage and Multifamily Loan and Security Agreement.

“Mortgage Loan Amortization Schedule” means the mortgage loan amortization schedule for the Mortgage Loan delivered to the Trustee on or prior to the Conversion Date.

“Mortgage Loan Documents” means, collectively, the Mortgage Note, the Mortgage, the Multifamily Loan and Security Agreement and all other documents, agreements and instruments evidencing, securing or otherwise relating to the Mortgage Loan, as each such document, agreement or instrument may be amended, supplemented or restated from time to time. Neither the Financing Agreement nor the Regulatory Agreement is a Mortgage Loan Document and neither document is secured by the Mortgage. Prior to Conversion, the Mortgage Loan Documents include the Construction Loan Documents.

“Mortgage Note” means the Multifamily Note dated the Conversion Date from the Borrower payable to the order of the Lender evidencing the Borrower’s obligation to repay the Mortgage Loan, as the same may be amended from time to time.

“Multifamily Loan and Security Agreement” means the Multifamily Loan and Security Agreement dated the Conversion Date executed by the Borrower.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

“Ordinary Administration Fees and Expenses” means the Administration’s annual fee in an amount equal to 0.25% of the aggregate unpaid principal balance of the Bonds, calculated on an Actual/360 basis, payable annually in advance from the Closing Date to the date of maturity of the Bonds, in accordance with the Financing Agreement.

“Ordinary Services” and “Ordinary Expenses” mean those services normally rendered, and those expenses normally incurred, by an issuer or a trustee under instruments similar to the Indenture.

“Ordinary Trustee Fees and Expenses” means amounts due to the Trustee for the Ordinary Services and the Ordinary Expenses of the Trustee incurred in connection with its duties under the Indenture, payable annually in advance on the Closing Date and on each August 1 thereafter in the amount of \$4,250, payable upon execution of the Indenture; provided, however, the amount of Ordinary Trustee Fees and Expenses payable under the Indenture is limited to money withdrawn from the Expense Fund, and the Borrower will be responsible to pay the remaining amount of the Ordinary Trustee Fees and Expenses pursuant to the Financing Agreement. In addition, all amounts due to the Trustee for Extraordinary Services and all Extraordinary Expenses of the Trustee will be paid directly by the Borrower pursuant to the Financing Agreement.

“Outstanding” means, when used with respect to the Bonds and as of any date, all Bonds theretofore authenticated and delivered under the Indenture except:

- (a) any Bond cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) any Bond for the payment or redemption of which either (i) moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, or (ii) specified types of Eligible Investments or moneys in the amounts, of the maturities and otherwise as described and required under the Indenture, shall have theretofore been deposited with the Trustee in trust (whether upon or prior to maturity or the redemption date of such Bond) and, except in the case of a Bond to be paid at maturity, as to which a redemption notice shall have been given or provided for in accordance with the Indenture, and
- (c) any Bond in lieu of or in exchange for which another Bond shall have been authenticated and delivered pursuant to the Indenture.

“Participant” means a member of, or a participant in, the Depository.

“Pass-Through Rate” means the applicable rate related to the MBS for the Project set forth in the Term Sheet set forth in APPENDIX H hereto.

“Payment Date” means (i) with respect to the Long Term Bonds, (A) the 26th day of the month following the month in which the Closing Date occurs and the 26th day of each month thereafter, or the next succeeding Business Day if such 26th day is not a Business Day, until and including the 26th day of the month in which the MBS Delivery Date occurs, (B) commencing in the first month immediately following the month in which the MBS Delivery Date

occurs, the Business Day immediately after the date of receipt by the Trustee of a payment received on the MBS, but in no event earlier than the 26th day of the month, and (C) with respect to any redemption in lieu of an exchange of the Long Term Bonds for the MBS pursuant to the Indenture, the day on which the Trustee receives funds pursuant to the transfer of the applicable amount of the MBS to or upon the order of the Administration; the payment of interest on a Payment Date for the Long Term Bonds shall relate to the interest accrued during the preceding calendar month, and there shall be no further accrual of interest on the Long Term Bonds from and after the Bond Maturity Date and (ii) with respect to the Short Term Bonds, (A) November 1 and May 1 of each year, commencing on November 1, 2022, and (B) the Bond Maturity Date.

“Project Costs” means the following costs of the Project:

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

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

(c) Taxes, assessments and other governmental charges in respect of the Project that may become due and payable during the construction period.

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

(e) Subject to the limitations set forth in a Tax Certificate, Costs of Issuance, including financial, legal, accounting, cash flow verification, printing and engraving fees, charges and expenses, and all other such fees, charges and expenses incurred in connection with the authorization, sale, issuance and delivery of the Bonds, including, without limitation, the fees and expenses of the Trustee properly incurred under the Indenture that may become due and payable during the construction period.

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

(g) Payment of interest on the Bonds during the construction period for the Project.

“Rating Agency” means Moody’s, S&P or any other nationally recognized securities rating agency rating the Bonds, or such rating agency’s successors or assigns.

“Rating Category” means one of the rating categories of the Rating Agency for the specific type and duration of the applicable Eligible Investment.

“Rebate Fund” means the Fund created and so designated in the Indenture.

“Record Date” means, with respect to all Bonds, the close of business on the 15<sup>th</sup> day of the calendar month prior to the calendar month in which a payment occurs.

“Redemption Price” means the amount required to be delivered to pay principal of, interest on, and redemption premium, if any, in connection with a redemption of the Bonds in accordance with the provisions of the Indenture.

“Regulations” means the income tax regulations promulgated or proposed under the Code by the Department of the Treasury, as the same may hereafter be amended, including without limitation regulations promulgated by the Department of the Treasury to implement the requirements of Section 148 of the Code.

“Regulatory Agreement” means the Declaration of Restrictive Covenants and Regulatory Agreement relating to the Project, dated as of August 1, 2022, by and among the Administration and the Borrower, as it may be amended, supplemented or restated from time to time.

“Representation Letter” has the meaning given to such term in the Indenture.

“Reserved Rights” means those certain rights of the Administration, under the Financing Documents to which the Administration is a party, to indemnification and to payment or reimbursement of fees and expenses of the Administration, its right to receive notices and to enforce notice and reporting requirements, its right to inspect and audit the books, records and premises of the Borrower and of the Project, its right to collect attorneys’ fees and related expenses, its right to specifically enforce the Regulatory Agreement, its right to specifically enforce the Borrower’s

covenant to comply with applicable federal tax law and State law (including the Act and the rules and regulations of the Administration, if any), and its right to give or withhold consent to amendments, changes, modifications and alterations to the Financing Documents relating to the Reserved Rights.

“Revenue Fund” means the Fund created and so designated in the Indenture.

“S&P” means S&P Global Ratings, and its successors and assigns, or if it is dissolved or no longer assigns credit ratings, then any other nationally recognized statistical rating agency, designated by Fannie Mae, that assigns credit ratings.

“Short Term Bond Interest Deposit” means Eligible Funds to be deposited on the Closing Date to the Short Term Bond Interest Deposit Subaccount, representing interest to be paid on the Short Term Bonds from the closing Date to the Short Term Bond Maturity Date.

“Short Term Bond Interest Deposit Subaccount” means the Series E-2 Interest Deposit Subaccount of the Short Term Bond Revenue Account.

“Short Term Bond Proceeds Account” means the means the Series E-2 Account of the Bond Proceeds Fund of the Indenture.

“Short Term Bond Revenue Account” means the Series E-2 Account of the Revenue Fund of the Indenture.

“State” means the State of Maryland.

“Substitute Depository” means a securities depository appointed as successor to DTC under the Indenture.

“Supplemental Indenture” means any indenture hereafter duly authorized and entered into between the Administration and the Trustee amending or supplementing the Indenture in accordance with the provisions thereof.

“Tax Certificate” means the Issuer’s Tax Certificate executed by the Administration, including the exhibits thereto, including the Project Cost Certificate executed by the Borrower, as amended, supplemented or otherwise modified from time to time.

“Tax Credit Investor” has the meaning set forth in APPENDIX H hereto.

“Termination Date” means (i) initially, September 1, 2025, and (ii) if the Borrower exercises its first extension option, March 1, 2026, in accordance with the Fannie Mae Forward Commitment and as set forth in a notice of the occurrence of such extension delivered by the Lender to the Trustee, subject to such additional extensions which have not been considered or agreed upon but may nevertheless be granted in the sole discretion of Fannie Mae.

“Trust Estate” means all the property, rights, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Indenture.

“Trustee” means Wilmington Trust, National Association, a national banking association.

“Trustee Fees and Expenses” means, collectively, the Ordinary Trustee Fees and Expenses and the Extraordinary Trustee Fees and Expenses.

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## APPENDIX C

### SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

*The following is a summary of certain provisions of the Indenture which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Indenture for a full and complete statement of its provisions.*

#### **Definitions**

Capitalized terms used in this Appendix but not defined in this Official Statement will have the means given them in the Indenture and the Financing Agreement.

#### **Authorization, Transfer and Registration, and Terms of Bonds**

Authorization of Bonds. The Bonds of the Administration are authorized by the Indenture to be issued in an aggregate principal amount set forth in the Indenture and will be issued subject to the terms, conditions and limitations established in the Indenture as provided therein. The Bonds may be executed by or on behalf of the Administration, authenticated by the Trustee and delivered or caused to be delivered by the Trustee to the original purchasers thereof upon compliance with the requirements set forth in the Indenture.

Execution of Bonds. The Bonds will be signed by, or bear the facsimile or manual signature of, an Authorized Officer of the Administration, and authenticated by the manual signature of an Authorized Officer of the Trustee. In case any one or more of the officers of the Administration who will have signed any of the Bonds or whose signature appears on any of the Bonds will cease to be such officer before the Bonds so signed will have been actually authenticated or delivered or caused to be delivered by the Trustee or issued by the Administration, such Bonds may, nevertheless, be authenticated and issued and, upon such authentication, delivery and issue, will be as binding upon the Administration as if the persons who signed such Bonds or whose signatures appear on any of the Bonds had not ceased to hold such offices until such delivery. Any Bond may be signed on behalf of the Administration by such persons as at the actual time of execution of the Bonds will be duly authorized or hold the proper office in the Administration, although at the date of issuance and delivery of the Bonds such persons may not have been so authorized or have held such office.

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, the Administration, at the expense of the owner of such Bond will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee will be cancelled by it and delivered to, or upon the order of, the Administration. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence will be satisfactory to it and indemnity satisfactory to the Trustee is given, the Administration, at the expense of the owner of such Bond, will execute, and the Trustee will thereupon authenticate and deliver, a new Bond of like tenor. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond authenticated and delivered under this section and of the expenses which may be incurred by the Administration and the Trustee in connection therewith. Any Bond authenticated and delivered under the provisions of this section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation on the part of the Administration whether or not the Bond so alleged to be lost, destroyed or stolen will be at any time enforceable by anyone, and will be equally and proportionately entitled to the benefits of the Indenture with all other Bonds secured by the Indenture. If any such Bond will have matured, or is about to mature, instead of issuing a new Bond the Trustee may pay the same without surrender thereof upon receipt of the aforementioned indemnity.

Registration, Transfer and Exchange of Bonds; Persons Treated as Owners. The Administration will cause books for the registration, transfer and exchange of the Bonds as provided in the Indenture to be kept by the Trustee, which is constituted and appointed the bond registrar with respect to the Bonds (the “**Bond Registrar**”). At reasonable times and under reasonable regulations established by the Trustee, said books may be inspected and copied by the Administration or by owners (or a designated representative thereof) of a majority in aggregate principal amount of the Bonds then Outstanding.

The registration of each Bond is transferable by the registered owner thereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Trustee. Upon surrender for registration of transfer of any Bond at such office, the Trustee will authenticate and deliver in the name of the transferee or transferees a new Bond of the same series, maturity or maturities and Authorized Denomination for the same aggregate principal amount.

Bonds to be exchanged will be surrendered at said designated corporate trust office of the Trustee, and the Trustee will authenticate and deliver in exchange therefor a Bond of equal aggregate principal amount of the same maturity and Authorized Denomination.

All Bonds presented for registration of transfer, exchange or payment (if so required by the Administration or the Trustee) will be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the registered owner or by its duly authorized attorney.

The Administration, the Bond Registrar and the Trustee will not be required (i) to issue, register the transfer of or exchange any Bonds during a period beginning at the Trustee's opening of business on the applicable Record Date and ending at the Trustee's close of business on the applicable Payment Date; or (ii) to register the transfer of or exchange any Bond selected, called or being called for redemption as provided in the Indenture. No charge will be made to any Bondholder for the privilege of registration of transfer as provided in the Indenture, but any Bondholder requesting any such registration of transfer will pay any tax or governmental charge required to be paid therefor.

New Bonds delivered upon any registration of transfer or exchange will be valid obligations of the Administration, evidencing the same debt as the Bonds surrendered, will be secured by the Indenture and will be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The person in whose name any Bond is registered will be deemed the owner thereof by the Administration and the Trustee, and any notice to the contrary will not be binding upon the Administration or the Trustee. Notwithstanding anything in the Indenture to the contrary, to the extent the Bonds are Book Entry Bonds, the provisions of the Indenture will govern the exchange and registration of Bonds.

#### **Mandatory Redemption of Bonds**

The Bonds are subject to mandatory redemption as described under "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds."

#### **Notice of Redemption**

Anytime the Bonds are subject to redemption in whole or in part pursuant to the Indenture, the Trustee, in accordance with the provisions of the Indenture, will give at least five (5) Business Days' notice (or five (5) calendar days' notice with respect to a redemption pursuant to the heading, "Mandatory Redemption — Upon Failure to Purchase the MBS" or "Mandatory Redemption on the MBS Delivery Date,") in the name of the Administration, of the redemption of the Bonds, which notice will specify the following: (i) the maturity and principal amounts of the Bonds to be redeemed; (ii) the CUSIP number, if any, of the Bonds to be redeemed; (iii) the date of such notice; (iv) the issuance date for such Bonds; (v) the interest rate on the Bonds to be redeemed; (vi) the redemption date; (vii) any conditions to the occurrence of the redemption; (viii) the place or places where amounts due upon such redemption will be payable; (ix) the Redemption Price; (x) the Trustee's name and address with a contact person and a phone number; and (xi) that on the redemption date, the Redemption Price will be paid. Notice delivered as required in this heading "Notice of Redemption" with respect to a redemption described under the heading "Mandatory Redemption Upon Failure to Purchase the MBS," above, may be rescinded and annulled on or before the MBS Delivery Date Deadline if (i) the MBS is delivered on or prior to the MBS Delivery Date Deadline or (ii) the MBS Delivery Date Deadline is extended pursuant to the Indenture. Neither the giving of such notice by the Trustee nor the receipt of such notice by the Bondholders will be a condition precedent to the effectiveness of any such redemption. Notwithstanding anything in the Indenture to the contrary, no notice of redemption will be required with respect to redemptions described under the headings "Mandatory Redemption Prior to MBS Delivery Date" and "Mandatory Redemption Following the MBS Delivery Date," above, and notice of redemption required in connection with a redemption described under the heading "Mandatory Redemption in Lieu of Exchange," above, will be given as described in the Indenture.

The Bonds to be redeemed in part pursuant to the Indenture will be selected in accordance with the operational arrangements of DTC or any successor Substitute Depository, and any partial prepayments pursuant thereto will be made in accordance with the "Pro Rata Pass-Through Distributions of Principal" procedures of DTC or comparable procedures of any successor Substitute Depository.

In the event that the MBS has not been purchased by, and delivered to, the Trustee ten (10) Business Days prior to the MBS Delivery Date Deadline (as such date may be extended under the Indenture), the Trustee will provide, ten (10) Business Days prior to the MBS Delivery Date Deadline, to the Borrower, the Lender, the Administration and the Underwriters written notice of such non-purchase.



Notwithstanding this section, no prior notice will be a prerequisite to the effectiveness of any redemption under the heading “Redemption” which redemption will occur and be effective irrespective of whether the Trustee fulfills its obligation to provide the notice with respect to the heading “Redemption,” above, required under this heading “Notice of Redemption.”

### **Payment of Redemption Price**

With respect to any redemption pursuant to the heading “Mandatory Redemption of Bonds” above, notice having been given in the manner provided in the heading “Notice of Redemption” above (or not required to be given as a result of a redemption pursuant to the heading “Redemption” above), and all conditions to the redemption contained in such notice, if applicable, having been met, the Bonds so called for redemption will become due and payable on the redemption date so designated at the Redemption Price specified in the heading “Mandatory Redemption of Bonds” above, and upon presentation and surrender thereof at the offices specified in such notice, together with, in the case of Bonds presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or its duly authorized attorney; provided, however, that so long as the Bonds are registered in the name of the Depository, payment for such redeemed Bonds will be made in accordance with the Representation Letter of the Administration. If, on the redemption date, moneys for the redemption of all the Bond or the Bonds to be redeemed, together with all accrued interest on such Bonds, which will equal all interest accrued on the MBS, if delivered, to the redemption date, will be held by the Trustee so as to be available therefor on said date and if notice of redemption will have been given as aforesaid, then, from and after the redemption date, interest on the Bonds so called for redemption will cease to accrue.

### **Extension of MBS Delivery Date Deadline**

At any time prior to the MBS Delivery Date Deadline, the Borrower may extend the MBS Delivery Date Deadline by (i) providing to the Trustee, the Lender, the Administration, the Rating Agency and the Underwriters written notice of any extension of the MBS Delivery Date Deadline, (ii) depositing with the Trustee Eligible Funds for the credit of the Long Term Bond Interest Deposit Subaccount of the Long Term Bond Revenue Account in an amount, taking into account amounts already on deposit therein, sufficient to pay interest due on the Bonds to the date that is five (5) calendar days after the extended MBS Delivery Date Deadline (the “**Extension Deposit**”), (iii) delivering to the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, and (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Bonds. Extension Deposits may continue to be made by or on behalf of the Borrower until the MBS Delivery Date occurs or the Borrower declines to make an Extension Deposit resulting in the mandatory redemption pursuant to the Indenture; provided, however, the MBS Delivery Date Deadline may not be extended to a date that is later than the third anniversary of the Bond Dated Date unless, prior to any extension beyond such date, there will be delivered to the Trustee and the Administration an opinion of Bond Counsel to the effect that such extension will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The cost of such opinion will be the sole responsibility of the Borrower.

### **Delivery of MBS**

If the Conversion Date occurs on or prior to the Termination Date, the Borrower shall cause to be delivered to the Trustee (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection.

The obligation of the Trustee to purchase the MBS on the MBS Delivery Date will be subject to receipt by the Trustee of written notification from the Lender, upon which the Trustee may rely and act without further investigation certifying that the MBS duly executed by Fannie Mae is available for purchase by the Trustee at the MBS Purchase Price, and meets the following requirements:

- (a) the principal amount of the MBS will equal from time to time the then-current principal amount of the Long Term Bonds, except for principal payments received which have not been remitted to owners of the Long Term Bonds;
- (b) the MBS bears interest at the Pass-Through Rate payable on the 25th day of each month, commencing on the 25th day of the month following the month in which the Trustee purchases the MBS, or if any such 25th day is not a Business Day, the next succeeding Business Day, and have a final maturity date that is the same as the Bond Maturity Date with respect to the Long Term Bonds;
- (c) the MBS provides that timely payment of principal (whether on any scheduled Payment Date or prior thereto upon any mandatory prepayment of the Mortgage Note or upon any optional prepayment of the Mortgage Note or upon declaration of acceleration following a default thereunder and interest on the MBS) is guaranteed to the record

owner of the MBS, regardless of whether corresponding payments of principal and interest on the Mortgage Loan are paid when due; and

(d) the MBS will be acquired by the Trustee on behalf of the Administration, will be held at all times by the Trustee in trust for the benefit of the holders of the Long Term Bonds and will be held only in book-entry form through the United States Federal Reserve Bank book-entry system, pursuant to which the MBS will have been registered on the records of the Federal Reserve Bank in the name of the Trustee.

The MBS will be registered in the name of the Trustee or its designee. Upon purchase of the MBS on the MBS Delivery Date, the Trustee will post a notification to this effect on the Electronic Municipal Market Access website of the Municipal Securities Rulemaking Board.

### **Pledge of Trust Estate**

The pledge and assignment of and the security interest granted in the Trust Estate pursuant to the Granting Clauses of the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, in accordance with their terms and provisions, and for the payment of all other amounts due under the Indenture, will attach, be perfected and be valid and binding from and after the time of the delivery of the Bonds by the Trustee or by any person authorized by the Trustee to deliver the Bonds. The Trust Estate so pledged and then or thereafter received by the Trustee will immediately be subject to the lien of such pledge and security interest without any physical delivery thereof or further act, and the lien of such pledge and security interest will be valid and binding and prior to the claims of any and all parties having claims of any kind in tort, contract or otherwise against the Administration irrespective of whether such parties have notice thereof.

### **Establishment of Funds**

The Trustee will establish, maintain and hold in trust the following funds, each of which will be maintained by the Trustee as a separate and distinct fund or account, and each of which will be disbursed and applied only as authorized in the Indenture:

(a) Revenue Fund, including therein (i) a Long Term Bond Revenue Account, and therein, a Long Term Bond Interest Deposit Subaccount, and (ii) a Short Term Bond Revenue Account, and therein, a Short Term Bond Interest Deposit Subaccount;

(b) Bond Proceeds Fund, including therein (i) a Long Term Bond Proceeds Account and (ii) a Short Term Bond Proceeds Account, as applicable);

(c) Collateral Fund, including therein (i) a Long Term Bond Collateral Account and (ii) a Short Term Bond Collateral Account;

(d) Expense Fund; and

(e) Rebate Fund.

### **Application of Funds on MBS Delivery Date**

On the MBS Delivery Date, the Trustee shall remit to the Lender as payment for the MBS, an amount equal to the aggregate principal amount of the MBS (from amounts on deposit in the Long Term Bond Collateral Account and, to the extent sufficient funds are not otherwise available in the Long Term Bond Collateral Account, from the Bond Proceeds Fund), plus accrued and unpaid interest on the MBS at the Pass-Through Rate from the first of the month in which the MBS was delivered to, but not including, the MBS Delivery Date (from amounts on deposit in the Long Term Bond Revenue Account, and, to the extent amounts in the Long Term Bond Revenue Account, other than amounts in the Long Term Bond Interest Deposit Subaccount therein, are insufficient for such purposes, from the Long Term Bond Interest Deposit Subaccount therein).

### **Initial Deposits**

On the Closing Date, the Trustee shall make the following deposits:

(a) The accrued interest on the Long Term Bonds from their Dated Date to the Closing Date shall be deposited into the Long Term Bond Revenue Account of the Revenue Fund;

(b) The original principal amount of the Bonds shall be deposited into applicable Account of the Bond Proceeds Fund pending application to purchase the MBS by the Trustee; and

(c) The Long Term Bond Interest Deposit shall be deposited into the Long Term Bond Interest Deposit Subaccount and the Short Term Bond Interest Deposit shall be deposited into the Short Term Bond Interest Deposit Subaccount.

**Revenue Fund – Long Term Bond Revenue Account and Short Term Bond Revenue Account**

(a) On any Payment Date that occurs prior to or during the month in which the MBS is delivered to the Trustee, (i) the Trustee will disburse from the Long Term Bond Revenue Account (including, to the extent necessary, from the Long Term Bond Interest Deposit Subaccount therein) an amount equal to the amount of principal and interest due on the Long Term Bonds, (any such payments, following the Conversion Date, to be made pursuant to the Mortgage Loan Amortization Schedule) and (ii) on each applicable Bond Payment Date, the Trustee will disburse from the Short Term Bond Revenue Account, as applicable an amount equal to the amount of principal and interest due on the Short Term Bonds.

(b) There will be deposited into the Long Term Bond Interest Deposit Subaccount as and when received, (i) the Long Term Bond Interest Deposit and (ii) any Extension Deposit.

(c) There will be deposited into the Short Term Bond Revenue Account, (i) all amounts paid by the Borrower pursuant to the Financing Agreement and (ii) the Short Term Bond Interest Deposit.

(d) There will be deposited into the Long Term Bond Interest Deposit Subaccount, as and when received, (i) following the MBS Delivery Date, all moneys received by the Trustee representing principal payments or repayments, and premium, if any, under the MBS, together with all other amounts required pursuant to the Indenture to be deposited therein, (ii) accrued interest on the Long Term Bonds from the Bond Dated Date to the Closing Date, (iii) any other amounts specified in the Indenture, and (iv) all moneys received by the Trustee representing interest payments under the MBS, to be held therein pending distribution in accordance with the terms of the Indenture.

(e) On the MBS Delivery Date, the Trustee will remit from the Long Term Bond Revenue Account (and, to the extent amounts in the Long Term Bond Revenue Account, other than amounts in the Long Term Bond Interest Deposit Subaccount therein, are insufficient for such purpose, from the Long Term Bond Interest Deposit Subaccount therein) to the Lender accrued and unpaid interest on the MBS at the Pass-Through Rate from the first calendar day of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

(f) Following the redemption of the Long Term Bonds, any of the Long Term Bond Interest Deposit remaining in the Long Term Bond Revenue Account shall be transferred as set forth under the Indenture.

(g) On the first Business Day following receipt of any MBS Revenues and the deposit thereof into Long Term Bond Revenue Account pursuant to subsection (d) above, the Trustee will pay to the owners of the Long Term Bonds all amounts so received from money on deposit in the Long Term Bond Revenue Account. All payments of principal and interest will be paid to Bond owners in proportion to the principal amount of Bonds owned by each Bond owner as set forth on the records of the Trustee at the close of business on the applicable Record Date.

(h) On the MBS Delivery Date, amounts on deposit in the Long Term Bond Interest Deposit Subaccount may be used to purchase the MBS so long as the balance in the Long Term Bond Interest Deposit Subaccount shall be sufficient to pay interest on the Bonds in accordance with the most recent Cash Flow Projection received by the Trustee.

(i) If the Trustee does not receive a scheduled payment on the MBS by 5:00 p.m. Eastern Time on the 25th day of any month (or the next succeeding Business Day if such day of the month is not a Business Day), the Trustee will immediately notify Fannie Mae and immediately demand payment under the terms of the guaranty thereof.

## **Bond Proceeds Fund**

(a) Long Term Bond Proceeds Account. Upon (i) deposit of Eligible Funds into the Long Term Bond Collateral Account, if any, as provided in the Indenture, (ii) delivery of a corresponding requisition executed by an Authorized Borrower Representative (and approved by the Administration, the Construction Lender or such other provider of Eligible Funds) and (iii) subject to the provisions of the Indenture, the Trustee will disburse proceeds of the Long Term Bonds, in an amount equal to such corresponding deposit made into the Long Term Bond Collateral Account to fund Qualified Project Costs. Prior to making any such disbursement from the Long Term Bond Proceeds Account, the Trustee will confirm that the aggregate principal amount that will be held collectively in the Long Term Bond Collateral Account and the Long Term Bond Proceeds Account, after the requested disbursement, will at least equal the then-Outstanding principal amount of the Long Term Bonds and, notwithstanding anything to the contrary, the Trustee will not disburse money from the Long Term Bond Proceeds Account (other than to pay amounts due on the Long Term Bonds pursuant to the Indenture), unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Long Term Bond Collateral Account; provided, however, that the Trustee will transfer funds from the Long Term Bond Proceeds Account to the Long Term Bond Collateral Account upon receipt of an opinion of Bond Counsel to the effect that such transfer will not cause the interest on any of the Long Term Bonds to be or become includible in the gross income of the Bondholders for federal income tax purposes. To the extent money on deposit in the Long Term Bond Proceeds Account is invested in Eligible Investments that have not yet matured, the Trustee is authorized to make the following sale and exchange, which sale and exchange will occur prior to the disbursement of amounts on deposit in the Long Term Bond Proceeds Account to pay Qualified Project Costs without the need to sell or terminate such Eligible Investments prior to their stated maturity date: (i) sell all or a portion of the Eligible Investments in the Long Term Bond Proceeds Account, in the amount specified in the request for disbursement, to the Long Term Bond Collateral Account for a price of par and (ii) transfer a like amount of available funds from the Long Term Bond Collateral Account to the Long Term Bond Proceeds Account representing proceeds of the Long Term Bonds, as the purchase price thereof.

Upon the satisfaction of the provisions set forth in the Indenture with respect to disbursements of the proceeds of the Long Term Bonds, the Trustee will be irrevocably and unconditionally obligated to disburse Long Term Bond proceeds from the Long Term Bond Proceeds Account equal to the amount deposited to the Long Term Bond Collateral Account, as set forth in the corresponding requisition, and to the extent the Trustee is unable to do so, the Trustee will return the amount deposited into the Long Term Bond Collateral Account, within one Business Day of receipt of such deposit, to the party that made such deposit as set forth in the requisition.

To the extent sufficient funds are not otherwise available to the Trustee, including money on deposit in the Long Term Bond Revenue Account or the Long Term Bond Collateral Account, as applicable, the Trustee will transfer from the Long Term Bond Proceeds Account to the Long Term Bond Revenue Account, as applicable, sufficient money to pay amounts due on the Long Term Bonds pursuant to the Indenture.

Following the MBS Delivery Date, amounts remaining in the Long Term Bond Proceeds Account shall be used by the Trustee to pay any remaining Qualified Project Costs as approved by the Lender and the Administration in writing.

(b) Short Term Bond Proceeds Account. Upon (i) deposit of Eligible Funds into the Short Bond Collateral Account, if any, as provided in the Indenture, (ii) delivery of a corresponding requisition executed by an Authorized Borrower Representative (and approved by the Administration, the Construction Lender or such other provider of Eligible Funds) and (iii) subject to the provisions of the Indenture, the Trustee will disburse proceeds of the Short Term Bonds, in an amount equal to such corresponding deposit made into the Short Bond Collateral Account to fund Qualified Project Costs. Prior to making any such disbursement from Short Term Bond Proceeds Account, the Trustee will confirm that the aggregate principal amount that will be held collectively in the Short Bond Collateral Account and the Short Term Bond Proceeds Account, after the requested disbursement, will at least equal the then-Outstanding principal amount of the Short Term Bonds and, notwithstanding anything to the contrary, the Trustee will not disburse money from the Short Term Bond Proceeds Account (other than to pay amounts due on the Short Term Bonds pursuant to the Indenture), unless and until Eligible Funds in an amount equal to or greater than the requested disbursement amount have been deposited into the Short Bond Collateral Account. To the extent money on deposit in the Short Term Bond Proceeds Account is invested in Eligible Investments that have not yet matured, the Trustee is authorized to make the following sale and exchange, which sale and exchange will occur prior to the disbursement of amounts on deposit in the Short Term Bond Proceeds Account to pay Qualified Project Costs without the need to sell or terminate such Eligible Investments prior to their stated maturity date: (i) sell all or a portion of the Eligible Investments in the Short Term Bond Proceeds Account, in the amount specified in the request for disbursement, to the

Short Bond Collateral Account for a price of par and (ii) transfer a like amount of available funds from the Short Bond Collateral Account to the Short Term Bond Proceeds Account representing proceeds of the Short Term Bonds, as the purchase price thereof.

Upon the satisfaction of the provisions set forth in the Indenture with respect to disbursements of the proceeds of the Short Term Bonds, the Trustee will be irrevocably and unconditionally obligated to disburse Short Term Bond proceeds from the Short Term Bond Proceeds Account equal to the amount deposited to the Short Bond Collateral Account, as set forth in the corresponding requisition and to the extent the Trustee is unable to do so, the Trustee will return the amount deposited into the Short Bond Collateral Account, within one Business Day of receipt of such deposit, to the party that made such deposit as set forth in the requisition.

To the extent sufficient funds are not otherwise available to the Trustee, including money on deposit in the Short Term Bond Revenue Account or the Short Bond Collateral Account, as applicable, the Trustee will transfer from the Short Term Bond Proceeds Account to the Short Term Bond Revenue Account, as applicable, sufficient money to pay amounts due on the Short Term Bonds pursuant to the Indenture.

Following the maturity date or the early redemption of the Short Term Bonds, amounts remaining in the Short Term Bond Proceeds Account will be used by the Trustee to pay any remaining Qualified Project Costs as approved by the Lender and the Administration in writing.

The Borrower will submit each requisition and a complete set of all supporting materials to the Administration by overnight carrier service addressed to the Administration at the address specified in the Indenture.

### **Investment of Funds**

The moneys held by the Trustee will constitute trust funds for the purposes under the Indenture. Any moneys attributable to each of the Funds and Accounts under the Indenture will be invested, by the Trustee, at the written direction or telephonic direction (promptly confirmed in writing) of the Administration, at the request of the Borrower, in Eligible Investments which, except as otherwise provided in the Indenture, mature or are redeemable at par, without penalty, on or before the date on which such funds are expected to be needed for the purposes for which they are held. Notwithstanding anything in the Indenture to the contrary except as otherwise set forth in this sentence, prior to the MBS Delivery Date, all amounts in the Bond Proceeds Fund, the Revenue Fund and the Collateral Fund will be invested solely in Eligible Investments; provided, however that following the MBS Delivery Date, payments received with respect to the MBS will be held uninvested. All investment earnings from amounts on deposit in the Long Term Bond Proceeds Account and the Long Term Bond Revenue Account will be credited to the Long Term Bond Revenue Account. All investment earnings from amounts on deposit in the Short Term Bond Proceeds Account, the Short Term Bond Revenue Account, as applicable and the Short Bond Collateral Account will be credited to the Short Term Bond Revenue Account, as applicable. If the Trustee does not receive written direction (or telephone direction promptly confirmed in writing) from the Administration regarding the investment of funds, the Trustee will invest solely in the Trustee's money market deposit account (more particularly described in the Indenture), which will mature or be redeemable at par at the times set forth in the preceding sentence. The Trustee may make any and all such investments through its own banking department or the banking department of any affiliate.

Eligible Investments representing an investment of moneys attributable to any Fund or Account will be deemed at all times to be a part of such Fund. Subject to the following sentence, investments will be sold at the best price obtainable (at least par) whenever it is necessary to do so in order to provide moneys to make any transfer, withdrawal, payment or disbursement from such Fund. With respect to the Short Term Bonds, the Trustee is not permitted to sell or otherwise dispose of such Eligible Investment prior to maturity at a price below par without first receiving (i) a Cash Flow Projection and (ii) Eligible Funds, if any, as set forth in the Cash Flow Projection. In the case of any required transfer of moneys to another such Fund, such investments may be transferred to that Fund in lieu of the required moneys if permitted by the Indenture as an investment of moneys in that Fund. If moneys in such Fund are solely invested in a money market mutual fund, the Trustee will sell or transfer such investments without the written direction of the Administration. If moneys in such Fund are invested in more than one Eligible Investment, any sale or transfer of such investment will be at the written direction of the Administration.

All Eligible Investments acquired by the Trustee pursuant to the Indenture will be purchased in the name of the Trustee and will be held for the benefit of the Bondholders pursuant to the terms of the Indenture. The Trustee will take such actions as will be necessary to assure that such Eligible Investments are held pursuant to the terms of the Indenture and are subject to the trust and security interest created in the Indenture.

The Trustee will not be liable or responsible for any loss resulting from any investment made in accordance with the Indenture. The Trustee or its affiliates may act as sponsor, principal or agent in the acquisition or disposition of investments. The Trustee may commingle investments made under the Funds and Accounts established under the Indenture but will account for each separately. The Trustee does not have any obligation to monitor the ratings of any Eligible Investments.

In computing for any purpose under the Indenture the amount in any Fund on any date, obligations so purchased will be valued at the lower of cost or par exclusive of accrued interest and may be so valued as of any time within four (4) days prior to such date.

The Administration acknowledges that regulations of the Comptroller of the Currency grant the Administration the right to receive brokerage confirmations of the security transactions as they occur. The Administration specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

### **Particular Covenants**

Payment of Bonds. Subject to the other provisions of the Indenture, the Administration will duly and punctually pay or cause to be paid, solely from amounts available in the Trust Estate, the principal of, premium, if any, and interest on the Bonds, at the dates and places and in the manner described in the Bonds, according to the true intent and meaning thereof solely from amounts available in the Trust Estate. The Bonds are not a general obligation of the Administration but are payable solely from the Trust Estate.

The payment and other obligations of the Administration with respect to the Bonds are intended to be, and will be, independent of the payment and other obligations of the issuer or maker of the Short Term Note, Mortgage Note and the MBS, even though (i) the principal amount of the Mortgage Note, the Long Term Bonds and the MBS is expected to be identical, and (ii) the principal amount of the Short Term Note and the Short Term Bonds is expected to be identical, in each case except in the case of a default with respect to one or more of the instruments.

Tax Covenants. The Administration will not take any action that will cause the interest paid on the Bonds to be includable in gross income for federal income tax purposes or to be subject to personal income taxation by the State. In furtherance of the foregoing covenant, the Administration particularly covenants and agrees with the Bondholders as follows:

(a) No part of the proceeds of the Bonds or any other funds of the Administration will be used by the Administration at any time directly or indirectly to acquire securities or obligations, the acquisition of which, or which in any other manner, would cause any Bond to be an arbitrage bond as defined in Section 148 of the Code and any applicable regulations promulgated thereunder.

(b) The Administration will not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code and any applicable regulations promulgated thereunder.

In the event of a conflict between the provisions under the above heading “Tax Covenants” and the Tax Certificate, the provisions of the Tax Certificate will control.

Extension of Payment of Bonds. The Administration will not directly or indirectly extend or assent to the extension of the maturity of the principal due on any of the Bonds or the time of payment of interest due on the Bonds, and if the time for payment of any such claims for interest will be extended through any other means, such Bonds or claims for interest will not be entitled in case of any default hereunder to any payment out of the Trust Estate or the funds (except funds held in trust for the payment of particular Bonds pursuant to the Indenture) held by the Trustee, except subject to the provisions of the Indenture and subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has occurred and has not been extended and of such portion of the accrued interest on the Bonds which is not represented by such extended claims for interest.

If an Extension Deposit has not been made pursuant to the Indenture, such that the aggregate balance in the Long Term Bond Proceeds Account and the Long Term Bond Revenue Account is equal to 100% of the principal amount of the Long Term Bonds plus interest accrued on the Long Term Bonds to the date which is five (5) calendar days following the MBS Delivery Date Deadline (as such date may be extended under the Indenture), then the Long Term Bonds will be subject to mandatory redemption as set forth in the Indenture.

## **Discharge of Indenture**

### Defeasance.

(a) If all Bonds will be paid and discharged as provided in this section, then all obligations of the Trustee and the Administration under the Indenture with respect to all Bonds will cease and terminate, except only (i) the obligation of the Trustee to pay or cause to be paid to the owners thereof all sums due with respect to the Bonds and to register, transfer and exchange Bonds pursuant to the Indenture, (ii) the obligation of the Administration to pay the amounts owing to the Trustee under the Indenture from the Trust Estate, and (iii) the obligation of the Administration to comply with the Indenture. Any funds held by the Trustee at the time of such termination which are not required for payment to Bondholders or for payment to be made by the Administration, will be paid as provided in the Indenture.

Any Bond or portion thereof in an Authorized Denomination will be deemed no longer Outstanding under the Indenture if paid or discharged in any one or more of the following ways:

(i) by well and truly paying or causing to be paid the principal of and premium, if any, and interest on such Bond which have become due and payable; or

(ii) by depositing with the Trustee, in trust, cash which, together with the amounts then on deposit in the Revenue Fund and dedicated to this purpose, is fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof; or

(iii) by depositing with the Trustee, in trust, any investments listed in subparagraph (b) under the definition of Eligible Investments in such amount as in the written opinion of a certified public accountant or nationally recognized verification agent will, together with the interest to accrue on such Eligible Investments without the need for reinvestment, be fully sufficient to pay when due all principal of, and premium, if any, and interest on such Bond to the maturity or earlier redemption date thereof, notwithstanding that such Bond will not have been surrendered for payment.

(b) Notwithstanding the foregoing, no deposit under clauses (ii) and (iii) of subsection (a) above will be deemed a payment of such Bond until the earlier to occur of:

(i) if such Bond is by its terms subject to redemption within 45 days, proper notice of redemption of such Bond will have been previously given in accordance with the Indenture to the holder thereof or, in the event such Bond is not by its terms subject to redemption within 45 days of making the deposit under clauses (ii) and (iii) of subsection (a) above, the Administration will have given the Trustee irrevocable written instructions to mail by first-class mail, postage prepaid, notice to the holder of such Bond as soon as practicable stating that the deposit required by clauses (ii) or (iii) of subsection (a) above, as applicable, has been made with the Trustee and that such Bond is deemed to have been paid and further stating such redemption date or dates upon which money will be available for the payment of the principal and accrued interest thereon; or

(ii) the maturity of such Bond.

(c) The Trustee will be entitled to receive a report from a nationally recognized accounting firm or other nationally recognized verification agent to provide for the payment of all Bonds to be defeased pursuant to this section.

(d) In addition to the circumstances described in paragraph (a) above, any Bond or portion thereof in an Authorized Denomination will be deemed no longer Outstanding under the Indenture if and to the extent of an exchange of such Bond or portion thereof for the MBS or an interest therein as provided in the Indenture.

## **Defaults and Remedies**

Events of Default. Each of the following events will constitute an Event of Default under the Indenture:

(a) On and after the MBS Delivery Date, failure by Fannie Mae to pay principal of, interest or premium, if any, due under the MBS;

(b) Failure to pay the principal of, interest or premium, if any, on the Bonds when the same will become due; or

(c) Default in the observance or performance of any other covenant, agreement or condition on the part of the Administration in the Indenture and the continuation of such default for a period of 90 days after written notice to the Administration from the Trustee or the registered owners of not less than 75% in aggregate principal amount of the Bonds Outstanding at such time specifying such default and requiring the same to be remedied.

Upon any failure by Fannie Mae to distribute to the Trustee any payment required to be made under the terms of the MBS as described in the Indenture, the Trustee will notify Fannie Mae not later than the next Business Day (all such notices to be promptly confirmed in writing) requiring the failure to be remedied.

The Trustee will promptly notify in writing the Administration, the Bondholders, the Lender, the Borrower, and Fannie Mae after an Authorized Officer with responsibility for administering the trusts in the Indenture obtains knowledge or receives notice of the occurrence of an Event of Default or an event which would become an Event of Default with the passage of time or the giving of notice, or both.

Acceleration; Rescission of Acceleration.

(a) Upon (i) the occurrence of an Event of Default under item (a) under the heading “Defaults and Remedies — Events of Default,” above, or (ii) from the Closing Date with respect to the Short Term Bonds, and prior to the MBS Delivery Date, with respect to the Long Term Bonds, the occurrence of an Event of Default under item (b) under the heading “Defaults and Remedies — Events of Default,” above, the Trustee may, and upon the written request of the holders of not less than seventy-five percent (75%) in aggregate principal amount of the Bonds Outstanding, will declare (and will deliver written notice of such declaration to the Administration, the Lender, the Borrower and Fannie Mae) the principal of all Bonds Outstanding, premium, if any, and the interest accrued thereon immediately due and payable.

(b) With respect to the Long Term Bonds, an Event of Default (i) following the MBS Delivery Date, under item (b) under the heading “Defaults and Remedies — Events of Default,” above, or (ii) under item (c) under the heading “Defaults and Remedies — Events of Default,” above, will not give rise to an acceleration pursuant to this heading “Acceleration; Rescission of Acceleration,” provided, however, that following such an Event of Default, the holder of one hundred percent (100%) of the Bonds Outstanding may direct the Trustee in writing to transfer the MBS to it or its designee, in which case, the Trustee will transfer and deliver to such requesting holder the Trustee's ownership interest in the MBS. The transfer described in this paragraph will take effect as set forth in, and will be governed by, the following terms:

(i) The Trustee will transfer and deliver to such requesting owner the Trustee's ownership interest in the MBS promptly following (i) delivery to the Trustee (via DTC withdrawal) of the Bonds being exchanged, and (ii) payment by the requesting owner of the Trustee's exchange fee (\$500 as of the date of the Indenture) with respect to such Bonds;

(ii) The MBS will be in book-entry form;

(iii) Transfers of the MBS will be made in accordance with current market practices, including the applicable provisions of the SIFMA's Uniform Practices for the Clearance and Settlement of Mortgage-Backed Securities and Other Related Securities;

(iv) Upon receipt of such Bonds from the requesting holder, the Trustee will promptly cancel the Bonds being exchanged, which will not be reissued;

(v) A MBS delivered in such an exchange will not be exchangeable for Bonds;

(vi) The MBS delivered in such an exchange will also be subject to any applicable disclosure requirements concerning MBS that have been issued in connection with the multifamily mortgage lending program of a governmental housing finance agency and financed by tax-exempt obligations; and

(vii) Interest on the MBS is not excludable from gross income for federal income tax purposes. Owners of Bonds should consult their own tax advisors concerning that and other tax consequences of any exchange of a Bond for the MBS.

(c) The acceleration of the Bonds will not constitute a default under, or by itself cause the acceleration of, the MBS. If at any time after the Bonds will have been so declared due and payable, and before any judgment or decree for the payment of the money due will have been obtained or entered, the Administration, the Borrower, the Tax Credit Investor or Fannie Mae, as applicable, will pay to or deposit with the Trustee a sum sufficient to pay all principal of the Bonds then due (other than solely by reason of such declaration) and all unpaid installments of interest (if any) on all the Bonds then due with interest at the rate borne by the Bonds on such overdue principal and (to the extent legally enforceable) on such overdue installments of interest, and the reasonable expenses of the Trustee will have been made good or cured or adequate provisions will have been made therefor, and all other defaults hereunder have been made good or cured or waived in writing by the holders of a majority in principal amount of the Bonds Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds will rescind and annul such



declaration and its consequences; but no such rescission and annulment will extend to or will affect any subsequent Event of Default, nor will it impair or exhaust any right or power consequent thereon.

Other Remedies; Rights of Bondholders. Subject to the Indenture, upon the happening and continuance of an Event of Default, the Trustee in its own name and as trustee of an express trust, on behalf and for the benefit and protection of the holders of all Bonds, may also proceed to protect and enforce any rights of the Trustee and, to the full extent that the holders of such Bonds themselves might do, the rights of such Bondholders under the laws of the State or under the Indenture by such of the following remedies as the Trustee will deem most effectual to protect and enforce such rights:

(a) By pursuing any available remedies under the Financing Agreement, the Regulatory Agreement or the MBS;

(b) Upon an Event of Default under paragraph (a) under the heading “Events of Default” above only, by realizing or causing to be realized through sale or otherwise upon the security pledged hereunder (including the sale or disposition of the MBS); and

(c) By action or suit in equity, to enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders and to execute any other papers and documents and do and perform any and all such acts and things as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Bondholders against the Administration allowed in any bankruptcy or other proceeding.

If an Event of Default will have occurred, and if requested by the holders of not less than 75% in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction, the Trustee will be obligated to exercise such rights and powers conferred as directed by such holders, or, absent such direction, one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, will deem to be in the best interests of the Bondholders subject to the limitations set forth above and in the Indenture.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right and remedy will be cumulative and will be in addition to any other right or remedy given to the Trustee or to the Bondholders under the Indenture, the Financing Agreement, the Regulatory Agreement or the MBS or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any default or Event of Default will impair any such right or power or will be construed to be a waiver of any such default or Event of Default or acquiescence therein and every such right and power may be exercised from time to time as often as may be deemed expedient.

No waiver of any default or Event of Default under the Indenture, whether by the Trustee or by the Bondholders, will extend to or will affect any subsequent default or Event of Default or will impair any rights or remedies consequent thereon.

Waivers of Events of Default. The Trustee will waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of, premium, if any, and interest on the Bonds upon the written request of the holders of a majority in aggregate principal amount of all Bonds then Outstanding with respect to which there is an Event of Default; provided, however, that there will not be waived (a) any default in the payment of the principal amount of any Bonds at the date of maturity specified therein or upon proceedings for mandatory redemption, or (b) any default in the payment when due of the interest or premium, if any, on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default will have occurred on overdue installments of interest or all arrears of payments of principal or premium, if any, when due (whether at the stated maturity thereof or upon proceedings for mandatory redemption) as the case may be, and all expenses of the Trustee in connection with such monetary default, will have been paid or provided for, and in case of any such waiver or rescission, the Administration, the Borrower, the Trustee and the Bondholders will be restored to their former positions and rights under the Indenture respectively.

No such waiver or rescission will extend to any subsequent or other default, or impair any right consequent thereto; and no delay or omission of the Trustee or of any Bondholders to exercise any right or power accruing upon any Event of Default will impair any right or power or will be construed to be a waiver of any such Event of Default, or acquiescence therein.

Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default will have been discontinued or abandoned for any reason or determined adversely to the Trustee, then in every such

case the Administration, the Borrower, the Trustee and the Bondholders will be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies, powers and duties of the Trustee will continue as though no such proceeding had been taken.

### **Supplemental Indentures**

Supplemental Indentures Effective upon Acceptance. For any one or more of the following purposes and at any time or from time to time, the Administration and the Trustee may enter into a Supplemental Indenture which, upon the execution and delivery thereof by an Authorized Officer and by the Trustee, and with the prior written consent of Fannie Mae, but without the necessity of consent of the Bondholders, will be fully effective in accordance with its terms:

(a) To add to the covenants or agreements of the Administration contained in the Indenture other covenants or agreements to be observed by the Administration or to otherwise revise or amend the Indenture in a manner which are/is not materially adverse to the interests of the Bondholders;

(b) To add to the limitations or restrictions contained in the Indenture other limitations or restrictions to be observed by the Administration which are not contrary to or inconsistent with the provisions of the Indenture as theretofore in effect;

(c) To surrender any right, power or privilege reserved to or conferred upon the Administration in the Indenture, provided that the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Administration contained in the Indenture and is not materially adverse to the interests of the Bondholders;

(d) To confirm, as further assurance, any pledge of the Trust Estate under the Indenture and the subjection to any lien on or pledge of the Trust Estate created or to be created by the Indenture;

(e) To appoint a co-trustee or successor Trustee or successor co-trustee;

(f) To cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in the Indenture;

(g) To insert such provisions clarifying matters or questions arising under the Indenture as are necessary or desirable and are not materially adverse to the interests of the Bondholders; and

(h) To make such changes and modifications that are necessary or desirable to provide for all interest, principal and premium paid with respect to the Bonds are in the exact respective amounts of the payments of interest, principal and premium paid under and pursuant to the MBS.

Supplemental Indentures Requiring Consent of Bondholders. In addition to those amendments to the Indenture which are authorized under the heading “Supplemental Indentures Effective Upon Acceptance” above, any modification or amendment of the Indenture may be made by a Supplemental Indenture with the written consent, given as hereinafter provided under the heading “Consent of Bondholders” below, of Fannie Mae and the holders of at least two thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given; provided, however, that no such modification or amendment will (a) permit a change in the terms of redemption or maturity of the principal amount of any Outstanding Bond or an extension of the date for payment of any installment of interest thereon or a reduction in the principal amount of, premium, if any, or the rate of interest on any Outstanding Bond without the consent of the holder of such Bond, (b) reduce the proportion of Bonds the consent of the holders of which is required to effect any such modification or amendment or to effectuate an acceleration of the Bonds prior to maturity, (c) permit the creation of a lien on the Trust Estate pledged under the Indenture prior to or on a parity with the lien of the Indenture, (d) deprive the holders of the Bonds of the lien created by the Indenture upon the Trust Estate (except as expressly provided in the Indenture), without (with respect to (b) through (d)) the consent of the holders of all Bonds then Outstanding, or (e) change or modify any of the rights or obligations of the Trustee without the written consent thereto of the Trustee.

Consent of Bondholders. The Administration and the Trustee may, at any time, execute and deliver a Supplemental Indenture making a modification or amendment permitted by the provisions under the heading “Supplemental Indentures Requiring Consent of Bondholders” above, to take effect when and as provided in this section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in a form approved by the Trustee), together with a request to Bondholders for their consent thereto in form satisfactory to the Trustee, will be mailed by the Trustee to the Bondholders. Such Supplemental Indenture will not be effective unless there will have been filed with the Trustee the written consents of Fannie Mae and the holders of the proportion of Outstanding Bonds

specified under the heading “Supplemental Indentures Requiring Consent of Bondholders” above. Each such consent of the Bondholders will be effective only if accompanied by proof of the holding, at the date of such consent, of the Bonds with respect to which such consent is given, which proof will be such as is permitted by the Indenture. A certificate or certificates by the Trustee that it has examined such proof and that such proof is sufficient under the provisions of the Indenture will be conclusive that the consents have been given by the Bondholders described in such certificate or certificates. Any such consent will be binding upon the holder of the Bonds giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof). At any time after the holders of the required proportion of Bonds will have filed their consents to such Supplemental Indenture, the Trustee will make and file with the Administration a written statement that the holders of such required proportion of Bonds have filed and given such consents. Such written statement will be conclusive that such consents have been so filed and have been given. Within 90 days after filing such statement, the Trustee will mail to the Bondholders a notice stating in substance that such Supplemental Indenture (which may be referred to as a Supplemental Indenture executed by the Administration on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of the required proportion of Bonds and will be effective as provided in this section, but failure to mail such notice will not prevent such Supplemental Indenture from becoming effective and binding as provided in this section. The Trustee will file with the Administration proof of the mailing of such notice to the Bondholders. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, will be proof of the matters therein stated. Such Supplemental Indenture making such modification or amendment will be deemed conclusively binding upon the Administration, the Trustee and the holders of all Bonds upon the execution thereof and the filing by the Trustee with the Administration of the statement that the required proportion of Bondholders have consented thereto.

The Administration may conclusively rely upon the Trustee’s determination that the requirements of this section have been satisfied.

Modification By Unanimous Consent. Notwithstanding anything contained in the foregoing provisions of the Indenture, the terms and provisions of the Indenture and the rights and obligations of the Administration and the Bondholders under the Indenture, in any particular, may be modified or amended in any respect upon execution and delivery of a Supplemental Indenture by the Administration and the Trustee making such modification or amendment and the consent to such Supplemental Indenture of Fannie Mae and the holders of all of the Bonds then Outstanding, such consent to be given and proved as provided under the heading “Consent of Bondholders” above except that no notice to Bondholders will be required; provided, however, that no such modification or amendment will change or modify any of the rights or obligations of the Trustee without the written assent thereto of the Trustee, in addition to the consent of the Bondholders.

### **Concerning the Trustee**

Trustee. Wilmington Trust, National Association is appointed by the Indenture as Trustee. The Trustee will signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing the Indenture.

Responsibility of the Trustee. The recitals of fact in the Indenture and in the Bonds contained will be taken as the statements of the Administration and the Trustee assumes no responsibility for the correctness of the same. The Trustee will not be deemed to make any representations as to the validity or sufficiency of the Indenture or of any Bonds issued under the Indenture or in respect of the security afforded by the Indenture and the Trustee will incur no responsibility in respect thereof. The Trustee will, however, be responsible for its representations contained in its authentication certificate on the Bonds. The Trustee will not be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of any moneys paid to the Administration. The Trustee will be under no obligation or duty to perform any act which would require it to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties under the Indenture, or in the exercise of any of its rights or powers, if it will have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The Trustee will not be liable in connection with the performance of its duties under the Indenture except for its own negligence or willful misconduct.

Fees, Charges and Expenses of Trustee. Notwithstanding any provision to the contrary in the Indenture, but subject to the limitations set forth in the Extraordinary Trustee Fees and Expenses as defined in the Indenture, the Trustee will be entitled to payment for reasonable fees for its services rendered under the Indenture and the Financing Agreement and reimbursement for all advances, counsel fees and other expenses reasonably made or incurred by the Trustee (including any co-Trustee) in connection with such services which will be paid from time to time as provided in the Financing Agreement; provided that no such amounts will be paid to the Trustee from the proceeds of the MBS. Upon an Event of Default under paragraph (a) under the heading “Events of Default” above as a result of a failure by

Fannie Mae to make payment under the MBS, but only upon such an Event of Default, the Trustee will have a lien upon the Trust Estate for extraordinary fees, charges and expenses incurred by it. The Administration will require the Borrower to indemnify and save harmless the Trustee against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties under the Indenture, the Financing Agreement and the Regulatory Agreement which are not due to its own negligence or willful misconduct, and to reimburse the Trustee for any fees and expenses of the Trustee to the extent they exceed funds available under the Indenture for the payment thereof, subject only to the right of the Borrower to contest the reasonableness of any such fees or the necessity for any such expenses. The Trustee will continue to perform its duties and obligations under the Indenture until such time as its resignation or removal is effective pursuant to the Indenture.

Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto will be and become successor Trustee under the Indenture and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties to the Indenture, anything in the Indenture to the contrary notwithstanding.

Resignation by Trustee. The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 60 days' written notice to the Administration and Fannie Mae, and such resignation will only take effect upon the appointment, pursuant to the Indenture, of, and acceptance by, a successor Trustee. The successor Trustee will give notice of such succession by first class mail, postage prepaid, to each Bondholder at the address of such Bondholder shown on the Bond Register.

Removal of Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee and to Fannie Mae, and signed by the Administration (or if an Event of Default will have occurred and be continuing, by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, in which event such instrument or instruments in writing will also be delivered to the Administration) provided that such removal will not take effect until the appointment of a successor Trustee by the Administration (or by the Bondholders).

Appointment of Successor Trustee. In case at any time the Trustee or any successor thereto will resign or will be removed or will become incapable of acting, or will be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of such Trustee or of its property will be appointed, or if any public officer will take charge or control of such Trustee or of its property or affairs, a successor may be appointed by the Administration with the approval of Fannie Mae (if it is not in default in its obligations under the MBS), or if Fannie Mae does not approve a successor the Administration proposes to appoint, or if the Administration is in default under the Indenture, by the holders of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Administration, by an instrument or concurrent instruments in writing signed by such Bondholders, or their attorneys duly authorized in writing, and delivered to such successor Trustee, notification thereof being given to the Administration, Fannie Mae, the Borrower, the Tax Credit Investor and the predecessor Trustee. If in a proper case no appointment of a successor Trustee will have been made pursuant to the foregoing provisions of this section within 45 days after the Trustee has given to the Administration written notice as provided in the Indenture or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Bondholder may apply to any court of competent jurisdiction of the State of Maryland to appoint a successor. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of this section will be a bank, trust company or national banking association, having a designated office within the State, having trust powers, with prior experience as trustee under indentures under which multifamily housing revenue bonds of public agencies or authorities are issued, and having a capital and surplus acceptable to the Administration and Fannie Mae, willing and able to accept the office on reasonable and customary terms in light of the circumstances under which the appointment is tendered and authorized by law to perform all the duties imposed upon it by the Indenture, if there be such an institution meeting such qualifications willing to accept such appointment.

Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under the Indenture will execute, acknowledge and deliver to its predecessor Trustee, and also to the Administration and Fannie Mae, and any Bondholder which requests the same, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, will become fully vested with all moneys, estates, properties,

rights, powers, duties and obligations of such predecessor Trustee, with like effect as if named in the Indenture as such Trustee, but the Trustee ceasing to act will nevertheless, on the written request of the Administration, Fannie Mae or the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as reasonably may be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any properties held by it under the Indenture, and will pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Indenture. Should any deed, conveyance or instrument in writing from the Administration be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, any and all such deeds, conveyances and instruments in writing, on request, and so far as may be authorized by law, will be executed, acknowledged and delivered by the Administration.

Collection of MBS Payments. Following the MBS Delivery Date, the Trustee will cause the MBS to be registered in the name of the Trustee or in the name of the nominee of the Trustee with such additional recitals as appropriate to indicate that the MBS is to be held by the Trustee in its capacity as Trustee under the Indenture subject to the provisions of the Indenture. In the event that any amount payable to the Trustee under the MBS is not received by the Trustee within one Business Day of the date such payment is due, the Trustee will notify Fannie Mae or (if directed by Fannie Mae) the paying agent for the MBS by telephone (such notification to be immediately confirmed by , telecopy or other means of instantaneous written communication) that such payment has not been received in a timely manner and request that such payment be made by wire transfer of immediately available funds to the account of the Trustee or such custodian, as the case may be.

#### **Miscellaneous Provisions**

No Recourse on Bonds. All covenants, stipulations, promises, agreements and obligations of the Administration contained in the Indenture will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Administration and not of any of its officers or employees or members of its governing body, past, present or future, in his or her individual capacity, and no recourse will be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or under the Indenture or the Financing Documents against any such officer or employee of the Administration or member of its governing body or any natural person executing the Bonds.

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## APPENDIX D

### SUMMARY OF CERTAIN PROVISIONS OF THE FINANCING AGREEMENT

*The following is a summary of certain provisions of the Financing Agreement which are not described elsewhere in the Official Statement. This summary does not purport to be comprehensive, and reference should be made to the Financing Agreement for a full and complete statement of its provisions.*

#### Definitions

Capitalized terms used in this Appendix but not defined in this Official Statement will have the means given them in the Indenture and the Financing Agreement.

#### General Terms of the Financing

The Administration has authorized the issuance of the Bonds in the aggregate principal amount set forth in the Financing Agreement and Bonds in such amount will be issued and Outstanding as of the Closing Date. The obligations of the Administration, the Trustee and the Borrower under the Financing Agreement are expressly conditioned upon (i) the sale, issuance and delivery of the Bonds, (ii) receipt by the Trustee of the amounts set forth in the Indenture, (iii) the making of the Construction Loan by the Construction Lender, and (iv) the making of the Long Term Loan and the Short Term Loan by the Administration. Neither the Administration, the Lender, the Trustee nor Fannie Mae will have any liability for any fees, costs or expenses, including, without limitation, issuance costs relating to the Bonds; all of such fees, costs and expenses will be paid by the Borrower.

#### Sources, Deposits and Uses

Upon the issuance and delivery of the Bonds, the Administration will cause the proceeds of the Bonds to be provided to the Trustee for deposit to the applicable account of the Bond Proceeds Fund. The Borrower acknowledges in the Financing Agreement that the Construction Lender has agreed to make the Construction Loan to the Borrower, the Borrower has agreed to the Construction Loan and to the repayment thereof and, from time to time, proceeds of the Construction Loan shall be applied by the Borrower to (a) fund the Long Term Bond Collateral Account under the Indenture which will allow the Trustee to make disbursements of amounts deposited into the Long Term Bond Proceeds Account to the Borrower to pay Qualified Project Costs pursuant to the Indenture, (b) fund the Short Term Bond Collateral Account under the Indenture which will allow the Trustee to make disbursements of amounts deposited into the Short Term Bond Proceeds Account to the Borrower to pay Qualified Project Costs pursuant to the Indenture and (c) to fund the Long Term Bond Interest Deposit Subaccount and the Short Term Bond Interest Deposit Subaccount for application and use in accordance with the Indenture. The Trustee will apply the amounts deposited into the Long Term Bond Proceeds Account, the Long Term Bond Collateral Account and the Long Term Bond Interest Deposit Subaccount as provided in the Indenture to secure the Long Term Bonds until the MBS Delivery Date and then to purchase the MBS. The Trustee will apply the amounts deposited into the Short Term Bond Proceeds Account as provided in the Indenture to pay Qualified Project Costs. Amounts deposited into the Short Term Bond Proceeds Account, the Short Term Bond Collateral Account and the Short Term Bond Interest Deposit Subaccount will secure the Short Term Bonds until the Bond Maturity Date or the redemption date of the Short Term Bonds.

Pursuant to the Financing Agreement, the Borrower accepts the Long Term Loan and the Short Term Loan from the Administration, upon the terms and conditions set forth in the Financing Documents, and subject to the terms and conditions of the Regulatory Agreement. The Borrower accepts the Mortgage Loan from the Lender, upon the terms and conditions set forth in the Financing Agreement, in the Mortgage Loan Documents and in the Indenture, and subject to the terms and conditions of the Regulatory Agreement. The Borrower acknowledges its obligation to pay all amounts necessary to pay principal of, premium, if any, and interest on the Bonds as provided in the Indenture. Pursuant to the Financing Agreement, the Borrower acknowledges that it has made arrangements for the delivery to the Trustee of the proceeds of the Construction Loan, the MBS and of certain other Eligible Funds and proceeds of the Bonds as contemplated in the Financing Agreement and in the Indenture.

Prior to the MBS Delivery Date, the Borrower will receive a credit for amounts due on the Long Term Loan in an amount equal to the amounts on deposit in the Long Term Collateral Account and the Long Term Revenue Account, including the Long Term Interest Deposit Subaccount therein, upon the application thereof to the payment of principal and/or interest due on the Long Term Bonds. On and after the MBS Delivery Date, payments on the MBS received by the Trustee will be credited to amounts due from the Borrower for payment of principal of, premium, if any, and interest on the Long Term Bonds. The Borrower will receive a credit for amounts due under the Short Term

Note in an amount equal to the amounts on deposit in the Short Bond Collateral Account and the Short Term Bond Revenue Account, upon the application thereof to the payment of principal and/or interest due on the Short Term Bonds, as applicable.

#### **Notification of Prepayment of Mortgage Note**

The Borrower will notify the Trustee and the Administration no fewer than 45 days prior to the date of any prepayment of the Long Term Loan, the Mortgage Note and the Short Term Note, whether upon acceleration, by reason of application of insurance or condemnation proceeds, optional prepayment or otherwise. If a prepayment results in revisions to the Mortgage Loan Amortization Schedule, the Lender will provide the revised Mortgage Loan Amortization Schedule to the Trustee. Notwithstanding anything to the contrary contained in the Construction Loan Documents or the Financing Documents, in no event shall the Borrower be permitted to voluntarily prepay the Long Term Loan nor the Short Term Loan prior to the Conversion Date, and any such voluntary prepayment shall require the prior written consent of the Administration and the Tax Credit Investor

#### **Collateral Payments**

In consideration of and as a condition to the disbursement of Bond proceeds in the Bond Proceeds Fund to pay Project Costs, the Borrower shall cause the delivery of Eligible Funds equal to the amount of the proposed disbursement to the Trustee on or before each such disbursement. All such Eligible Funds shall be paid to the Trustee for the account of the Administration and shall be held in the applicable account of the Collateral Fund and disbursed in accordance with the provisions of the Indenture.

#### **Disbursements from Bond Proceeds Fund**

Subject to the provisions below and so long as no Event of Default under the Financing Agreement has occurred and is continuing for which the principal amount of the Bonds has been declared to be immediately due and payable pursuant to the Financing Agreement and the Indenture, and no Determination of Taxability has occurred, disbursements from the Bond Proceeds Fund shall be made only to pay any of the Project Costs.

Any disbursements from the Bond Proceeds Fund for the payment of Project Costs shall be made by the Trustee only upon the receipt by the Trustee of: (a) a Requisition; and (b) Eligible Funds in an amount equal to the amount of any such disbursement request for deposit in the Collateral Fund as described under the heading “Collateral Payments” above. Each such Requisition shall be consecutively numbered and accompanied by a copy of the approval of the Construction Lender (only prior to the Conversion Date) or the Lender of the payments or reimbursements requested. Proceeds of the Bonds disbursed pursuant to the provisions of the Financing Agreement may only be used to pay the Project Costs.

Any disbursement for any item not described in, or the cost for which item is other than as described in, the information statement filed by the Administration in connection with the issuance of the Bonds as required by Section 149(e) of the Code, and in the notice of public hearing pertaining to the Bonds shall be accompanied by an opinion of Bond Counsel to the effect that such disbursement will not adversely affect the status of the interest on the Bonds as excludible from gross income for federal income tax purposes of the Bondholders (except on Bonds while held by a substantial user or related person, each as defined in the Code).

Any money in the Bond Proceeds Fund remaining after the MBS Delivery Date shall be applied as set forth under the Indenture.

Notwithstanding any provision of the Financing Agreement or any provision of the Indenture to the contrary, the Trustee shall not disburse funds from the Bond Proceeds Fund unless and until the Trustee confirms that Eligible Funds in the Collateral Fund plus Eligible Funds in the Bond Proceeds Fund, less the amount of the requested disbursement from the Bond Proceeds Fund, is at least equal to the then-Outstanding principal amount of the Bonds.

#### **Events of Default**

Each of the following will constitute an event of default under the Financing Agreement, and the term “Event of Default” means, whenever used in the Financing Agreement, any one or more of the following events:

- (i) Failure by the Borrower to pay any amounts due under the Financing Agreement at the times and in the amounts required by the Financing Agreement; or
- (ii) Failure by the Borrower to observe or perform any covenants, agreements or obligations in the Financing Agreement on its part to be observed or performed (other than as provided in clause (i) above) for a period of thirty (30) days after receipt of written notice specifying such failure and requesting that it be



remedied, given to the Borrower by any party to the Financing Agreement; provided, however, that if said failure will be such that it cannot be corrected within such period, it will not constitute an Event of Default if the failure is correctable without material adverse effect on the Bonds and if corrective action is instituted by the Borrower within such period and diligently pursued until the failure is corrected, and provided further that any such failure will have been cured within ninety (90) days of receipt of notice of such failure; or

(iii) Breach of any of the covenants, agreements or obligations of the Borrower under or the occurrence of a default which is continuing under the Regulatory Agreement, including any exhibits to any of the foregoing; or

(iii) The occurrence of an Event of Default caused by the Borrower under and as defined in the Indenture or under any of the other Financing Documents.

Nothing contained in this section is intended to amend or modify any of the provisions of the Mortgage Loan Documents or to bind the Borrower, the Lender or Fannie Mae to any notice and cure periods other than as expressly set forth in the Mortgage Loan Documents.

### **Remedies Upon an Event of Default**

(a) Subject to subsection (d) below, whenever any Event of Default will have occurred and be continuing, the Administration or the Trustee may take any one or more of the following remedial steps:

(i) By any suit, action or proceeding, pursue all remedies now or hereafter existing at law or in equity to collect all amounts then due and thereafter to become due under the Financing Agreement, to enforce the performance of any covenant, obligation or agreement of the Borrower under the Financing Agreement (subject to the nonrecourse provisions of the Financing Agreement) or to enjoin acts or things which may be unlawful or in violation of the rights of the Administration or the Trustee.

(ii) Take whatever other action at law or in equity may appear necessary or desirable to enforce any monetary obligation of the Borrower under the Financing Agreement or to enforce any other covenant, obligation or agreement of the Borrower under the Financing Agreement.

(iii) Have access to and inspect, examine, audit and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Borrower.

(b) The provisions of subsection (a) of this section are subject to the condition that if, after any Event of Default, except a default under the Regulatory Agreement, (i) all amounts which would then be payable under the Financing Agreement by the Borrower if such Event of Default had not occurred and was not continuing will have been paid by or on behalf of the Borrower, and (ii) the Borrower will have also performed all other obligations in respect of which it is then in default under the Financing Agreement and will have paid the reasonable charges and expenses of the Administration and the Trustee, including attorney fees and reasonable expenses paid or incurred by either the Administration or the Trustee in connection with such default, then and in every such case, such Event of Default may be waived and annulled by the Trustee, but no such waiver or annulment will extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(c) Subject to the limitations of the Regulatory Agreement and the Financing Agreement, the Administration, without the consent of the Trustee, but only after written notice to the Trustee, the Borrower, the Lender and Fannie Mae, may take whatever action at law or in equity may appear necessary or desirable to enforce performance and observance of any Reserved Right of the Administration; provided that, the Administration may not (i) terminate the Financing Agreement or cause the Mortgage Loan to become due and payable, (ii) cause the Trustee to declare the principal of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable, or cause the Trustee to accelerate, foreclose or take any other action or seek other remedies under the Financing Documents, the Mortgage Loan Documents or any other documents contemplated thereby or by the Financing Agreement to obtain such performance or observance, (iii) cause the acceleration, foreclosure or taking of any other action or the seeking of any remedies under the Mortgage Loan Documents, (iv) initiate or take any action which may have the effect, directly or indirectly, of impairing the ability of the Borrower to timely pay the principal, interest and other amounts due under the Mortgage Loan, or (v) interfere with the exercise by Fannie Mae of any of its rights under the Financing Documents or the Mortgage Loan Documents.

(d) Except as required to be deposited in the Rebate Fund pursuant to the Financing Documents any amounts collected pursuant to action taken under this section will, after the payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made

by the Trustee, the Administration, the Lender or Fannie Mae and their respective counsel, be applied in accordance with the provisions of the Indenture. No action taken pursuant to this section will relieve the Borrower from the Borrower's obligations pursuant to the Financing Agreement.

(e) No remedy conferred upon or reserved to the Administration or the Trustee in the Financing Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy will be cumulative and will be in addition to every other remedy now or hereafter existing pursuant to any other agreement at law or in equity or by statute.

(f) Notwithstanding any other provision of the Financing Agreement to the contrary, after the MBS Delivery Date, so long as Fannie Mae is not in default under the MBS, none of the Administration, the Trustee or any Person under their control will exercise any remedies or direct any proceedings under the Financing Agreement or the Mortgage Loan Documents, other than to (i) enforce rights under the MBS, (ii) enforce the tax covenants in the Indenture and the Financing Agreement, or (iii) enforce rights of specific performance under the Regulatory Agreement and/or (iv) enforce Reserved Rights; provided, however, that any enforcement under (ii) or (iii) above will not include seeking monetary damages.

### **Notice of Default; Rights To Cure**

The Administration and the Trustee will each give notice to the other and the Trustee will give notice to the Tax Credit Investor and the Lender of the occurrence of any Event of Default by the Borrower under the Financing Agreement of which it has actual knowledge. The Lender and the Tax Credit Investor will each have the right, but not the obligation, to cure any such default by the Borrower, and upon performance by the Lender or the Tax Credit Investor to the satisfaction of the Administration and the Trustee of the covenant, agreement or obligation of the Borrower with respect to which an Event of Default has occurred, the parties to the Financing Agreement will be restored to their former respective positions, it being agreed that the Lender and the Tax Credit Investor will each have the right to repayment from the Borrower of moneys it has expended and any other appropriate redress for actions it has taken to cure any default by the Borrower; provided that the Borrower's reimbursement obligation will be non-recourse to the same extent as the underlying obligation is non-recourse to the Borrower.

### **Amendment**

The Financing Agreement and all other documents contemplated by the Financing Agreement to which the Administration is a party may be amended or terminated only if permitted by the Indenture, and no amendment to the Financing Agreement will be binding upon, any party to the Financing Agreement until such amendment is reduced to writing and executed by the parties thereto; provided that no amendment, supplement or other modification to the Financing Agreement or any other Financing Document will be effective without the prior written consent of the Lender and Fannie Mae.

### **Non-Liability of the Administration**

The Administration will not be obligated to pay the principal (or Redemption Price) of, or interest on the Bonds, except from the Trust Estate. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Administration or any member is pledged to the payment of the principal (or Redemption Price) of, premium, if any, or interest on the Bonds. Any obligation or liability of the Administration created by or arising out of the Financing Agreement (including, without limitation, any liability created by or arising out of the representations, warranties or covenants set forth herein or otherwise) will not impose a debt or pecuniary liability upon the Administration or a charge upon its general credit, but will be payable solely out of the moneys due and to become due under the Financing Documents (and not from any moneys due or to become due to the Administration pursuant to the Reserved Rights). Neither the issuance of the Mortgage Loan or the Short Term Loan nor the delivery of the Financing Agreement will, directly or indirectly or contingently, obligate the Administration to make any appropriation for payment of the Mortgage Loan or the Short Term Loan. No agreements or provisions contained in the Financing Agreement, the Indenture, any other Financing Document, nor any agreement, covenant or undertaking by the Administration contained in any document executed by the Administration in connection with the Project or the execution, delivery and sale of the Bonds will give rise to any pecuniary liability of the Administration or a charge against its general credit or taxing powers, or will obligate the Administration financially in any way. Nothing in the Indenture or the Financing Agreement or the proceedings of the Administration authorizing the Bonds or in the Act or in any other related document will be construed to authorize the Administration to create a debt of the Administration within the meaning of constitutional or statutory provision of the State. No covenant, agreement or obligation contained herein will be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Administration in his or her individual capacity, and neither any

employee or officer of the Administration nor any officer thereof executing the Bonds will be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee or agent of the Administration will incur any personal liability with respect to any other action taken by him or her pursuant to the Financing Agreement, the Indenture, the Act or the Law. No breach of any pledge, obligation or agreement of the Administration hereunder may impose any pecuniary liability upon the Administration or any charge upon its general credit. The Administration will not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with the Financing Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under the Financing Agreement or from the MBS.

The Borrower acknowledges that the Administration's sole source of moneys to repay the Bonds will be provided by the Trust Estate, and agrees that if the payments to be made under the Financing Agreement will ever prove insufficient to pay all principal, premium, if any, and interest on the Bonds as the same will become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Trustee, the Borrower will pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Administration or any third party, subject to any right of reimbursement from the Trustee, the Administration or any such third party, as the case may be, therefor.

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## **APPENDIX E**

### **SUMMARY OF CERTAIN PROVISIONS OF THE DECLARATION OF RESTRICTIVE COVENANTS AND REGULATORY AGREEMENT**

*The following is a summary of certain provisions of the Regulatory Agreement. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, a copy of which is on file with the Administration and the Trustee.*

In the Regulatory Agreement, the Administration and the Borrower each made certain covenants for the purpose of preserving the exclusion from gross income of interest on the Bonds for purposes of federal income taxation and qualifying the Project for the low-income housing tax credits available under Section 42 of the Code by regulating and restricting the use and occupancy of the Project as set forth therein. This summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Regulatory Agreement, a copy of which is on file with the Administration and the Trustee. Capitalized terms not defined herein shall have the meaning set forth in the Regulatory Agreement.

#### **Covenants Running with the Land**

The Borrower declares that the Property and every part of it is and shall be owned (legally and beneficially), leased, or otherwise conveyed, transferred, developed, constructed, rehabilitated, improved, built upon, occupied, or otherwise used, subject to the Restrictive Covenants. The Restrictive Covenants shall run with the Property and every part of it for all purposes and shall be binding upon the Borrower and all property owners, tenants, licensees, occupants, and their successors in interest with respect to the Property and shall inure to the benefit of the Borrower and the Administration and their respective successors and assigns.

#### **Rental Requirement**

All of the Dwelling Units in the Project shall be rented or made available for rental on a continuous basis to members of the general public.

Unless approved by the Administration and to the extent permitted under applicable laws, rules and/or regulations, the Borrower shall not give preference in renting Dwelling Units in the Project to any particular class or group of persons, other than Lower-Income Tenants as provided in the Regulatory Agreement.

The Borrower shall not refuse to lease any Unit in the Project to a prospective tenant who is a holder of a voucher or certificate of eligibility under Section 8 solely on the basis of the prospective tenant's status as a holder of such voucher or certificate.

None of the Dwelling Units shall at any time be utilized on a transient basis, provided that a single room occupancy Unit shall not be treated as used on a transient basis merely because it is rented on a month-by-month basis; none of the Dwelling Units shall ever be leased or rented for a period of less than 30 days; and neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, or trailer court or park. None of the occupants of such Units shall be provided services customarily found in hotels such as room service for food and beverages, maid service, furnishing and laundering of linens or valet service, and the Borrower shall not provide continued or frequent nursing, medical or psychiatric services to residents of the Project.

No part of the Project shall at any time be owned or used by a cooperative housing corporation unless otherwise approved in writing by Bond Counsel.

The Project shall not include a Unit in a building unless all Units in such building are included in the Project.

The Project shall consist of one or more discrete edifices and other man-made construction, each consisting of an independent foundation, outer walls and roof, all of which are: (i) owned by the same person for federal tax purposes; and (ii) financed by the Loan or otherwise pursuant to a common plan of finance. The Project shall be located on (i) a common tract of land, (ii) two or more tracts of land which are contiguous except for being separated only by a road, street or stream or similar property, or (iii) two or more tracts of land whose boundaries meet at one or more points.

The Project shall consist entirely of: Dwelling Units and facilities functionally related and subordinate in purpose and size to property described above, e.g. parking areas, swimming pool, exercise room, and other recreational facilities reasonably required for the Project, heating and cooling equipment, trash disposal equipment, or Units for resident managers or maintenance personnel.

The Borrower will convert the property to condominium ownership, which will consist of two condominium units. Certain amenities and parking are shared with an adjacent project pursuant to a shared use agreement.

Except as provided in the next sentence of this paragraph, no Dwelling Unit in the Project shall be occupied by a Borrower at any time unless the Borrower resides in a Dwelling Unit in a building or structure which contains at least five Dwelling Units. A reasonable number of Dwelling Units in the Project may be occupied by employees of the Borrower who is a resident manager or other necessary employee (e.g., maintenance and security personnel), and such units will not be taken into account in determining whether the low income occupancy requirement has been satisfied.

### **Lower Income Tenants and Occupancy Requirements**

The Borrower represents, covenants, and agrees in the Regulatory Agreement that it shall comply with the following occupancy requirements:

(a) At all times during the Qualified Project Period and, if longer, for such additional period as the Loan remains outstanding, the Lower-Income Tenant Occupancy Requirement shall be met. The Borrower acknowledges, covenants and agrees that for the purposes of applying the Lower-Income Tenant Occupancy Requirement, the Project shall be treated as a separate Qualified Residential Rental Project.

(b) For the purpose of satisfying the covenant in paragraph (a) above, a residential Unit in the Project shall be treated as "occupied" if it was previously rented to and occupied by a Lower-Income Tenant and is being held vacant and available for rental to a Lower-Income Tenant. When such a Unit is re-occupied (other than for a temporary period of not more than 31 days), the character of the Unit shall be redetermined.

(c) For purposes of satisfying the covenant in paragraph (a) above, the determination of Annual Income will be made both prior to occupancy and on a continuing basis. Increases in a Lower-Income Tenant's Annual Income up to 140% of the applicable limit (adjusted for family size) will not result in disqualification as a Lower Income Tenant. In the event that a Lower-Income Tenant's Annual Income, determined as of the most recent Annual Income Certification as described in paragraph (e) below, increases to a level more than 140% of the then applicable limit (or if a Lower-Income Tenant's family size decreases so that its Annual Income becomes more than 140% of the then applicable limit adjusted for family size), and before the next Annual Income Certification, each Unit of a comparable or smaller size in the Project (or in the same building if tax credits under Section 42 of the Code are allowed with respect to the Project) that subsequently becomes available is not rented to a Lower-Income Tenant, that Lower-Income Tenant may no longer be counted among the 20% of Units that satisfy the Lower-Income Tenant Occupancy Requirement.

(d) Within 30 days after the dates on which at least ten percent and 50 percent, respectively, of the Dwelling Units in the Project are first occupied following issuance of the Bonds and the closing of the Loan, the Borrower shall prepare and submit to the Administration a certificate (which may be in the form attached as Exhibit B to the Regulatory Agreement) in recordable form identifying such date (which may be the date of issuance of the Bonds) for purposes of the calculation of the commencement and termination of the Qualified Project Period, as applicable.

(e) The Borrower shall obtain and maintain on file Annual Income Certifications from each Lower-Income Tenant in the form and containing such information as may be required by the Code. The first such Annual Income Certification shall be dated not later than either (i) in the case of a tenant who initially executes his/her lease after the date of issuance of the Bonds, the date of execution of the lease, or (ii) in the case of a tenant who was residing in a residential unit on the date of issuance of the Bonds, the date that is no later than one year after the date of issuance of the Bonds. Subsequent Annual Income Certifications for existing tenants shall be dated no earlier than 30 days prior to the anniversary date of initial occupancy. Photocopies of each Annual Income Certification for each new Lower-Income Tenant shall be submitted to the Administration as requested by the Administration, which may be as often as may be necessary, in the opinion of Bond Counsel, to comply with applicable provisions of the Code.

(f) The Borrower shall maintain complete and accurate records pertaining to the Dwelling Units occupied or to be occupied by Lower-Income Tenants, and permit any duly authorized representative of the Administration, the United States Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the certifications of Annual Income of Lower-Income Tenants residing in the Project upon reasonable notice and at reasonable times.

(g) The Borrower shall immediately notify the Administration if at any time the Dwelling Units in the Project are not occupied or available for occupancy as provided in paragraph (a) above.

(h) The Borrower shall prepare and submit to the Administration a certificate executed by the Borrower stating, among other matters, the number of Dwelling Units of the Project which, as of the first day of such year, were

occupied by Lower-Income Tenants or were vacant and held available for rental to Lower-Income Tenants as provided in paragraph (b) above, and stating that the Lower Income Tenant Occupancy Requirement has been met. Such certificate shall be submitted annually on a date determined by the Administration for each calendar year following issuance of the Bonds.

#### **Annual Certification**

The Borrower shall submit to the Secretary of the United States Treasury Department, at such time and in such manner as the Secretary of the Treasury may prescribe, an annual certification as to whether the Project continues to meet the requirements of Section 142(d) of the Code.

#### **Covenant with Respect to Use of Bond Proceeds**

The Borrower covenants that all of the Bond proceeds will be used to finance buildings and equipment that qualify as a Qualified Residential Rental Project. The Regulated Units may be located in one or more of the buildings comprising the Project, and the Administration will not require that each building contain one or more Regulated Units. All of the Dwelling Units in the Project shall be rented or available for rental on a continuous basis to the general public.

#### **Duration and Termination**

(a) Unless terminated sooner in accordance with the provisions of paragraphs (b) or (c) below, the Restrictive Covenants shall continue and remain in full force and effect at all times with respect to the Project and each part of it, now or hereafter made subject to the Restrictive Covenants, until the expiration of the Qualified Project Period or so long as the Loan is outstanding, whichever is longer, it being expressly agreed and understood that the provisions hereof may survive the repayment in full of the Loan, if such repayment occurs prior to the termination of the Qualified Project Period.

(b) The Regulatory Agreement, or any provisions of it, or any of the Restrictive Covenants, may be terminated, extended, modified, or amended upon an amendment to or modification of applicable provisions of the Code relating to the exclusion of the interest on the Bonds from gross income for federal income tax purposes, provided the Administration obtains an opinion of Bond Counsel to the effect that upon such termination, extension, modification, or amendment, interest on the Bonds shall remain excludable from gross income for federal income tax purposes. Any such termination, extension, modification, or amendment shall be in writing and shall be effective only after execution by the Administration and the Borrower, and recordation among the land records of the county in which the Property is located. For purposes of execution of the instrument evidencing such termination, extension, modification or amendment, the Borrower irrevocably appoints the Administration its attorney-in-fact, with full power and authority to execute all documents and do all acts necessary or desirable to give effect to such termination, extension, modification, or amendment.

(c) Notwithstanding any provisions of paragraphs (a) or (b) above to the contrary, the Regulatory Agreement and the Restrictive Covenants shall automatically terminate in the event of involuntary noncompliance caused by fire, seizure, requisition, foreclosure, transfer of title by deed in lieu of foreclosure, change in a federal law or an action of a federal administration after the date hereof which prevents compliance with the covenants expressed in the Regulatory Agreement, or condemnation or similar event, but only if, within a reasonable period, as determined by Bond Counsel, either (i) an allocable portion of the Bonds are redeemed and paid in full, or (ii) amounts received as a consequence of such event are used to provide a project which meets and is subject to the requirements of Section 142(d) of the Code and of Treasury Regulation Section 1.103-8(b), as amended; provided, however, that the restrictions thereof shall nevertheless apply to the Project if, at any time during that part of the Qualified Project Period subsequent to any involuntary event as described in this paragraph, the Borrower or a "related party" (as that term is defined in Treasury Regulation Section 1.150-1(b), as amended) obtains an ownership interest in the Project for tax purposes. This provision may be waived or amended if Bond Counsel issues an opinion to the Administration and the Trustee to the effect that notwithstanding or as a result of an amendment to or waiver of this provision, interest on the Bonds will remain excludable from gross income for federal income tax purposes.

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## APPENDIX F

### BOOK-ENTRY SYSTEM

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Administration and the Borrower believe to be reliable, but neither the Administration, the Underwriters nor the Borrower takes responsibility for the accuracy thereof.*

The Depository Trust Company ("**DTC**"), New York, New York will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or held by the Trustee.

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

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the transaction documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may

wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, the amount of the interest of each Direct Participant in such issue to be redeemed shall be determined on a pro rata basis in accordance with the "Pro Rata Pass Through Distributions of Principal" procedures of DTC.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Administration as soon as possible after the applicable Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the applicable Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Administration, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or its nominee, or the Administration, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Administration, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Administration. Under such circumstances, in the event that a successor depository is not obtained, bonds are required to be printed and delivered.

The Administration may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the bonds will be printed and delivered.

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

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## APPENDIX G

### FORM OF CONTINUING DISCLOSURE AGREEMENT

**\$14,975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Roslyn Rise 4%)**  
**Series 2022 E-1**  
**(MTEBS)**

**\$975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Roslyn Rise 4%)**  
**Series 2022 E-2**  
**(Cash-Collateralized)**

This Continuing Disclosure Agreement, dated as of August 1, 2022 (this “**Continuing Disclosure Agreement**”), is executed and delivered by Roslyn Rise Four, LLC, a Maryland limited partnership (the “**Borrower**”), and Wilmington Trust, National Association, as dissemination agent (the “**Dissemination Agent**”). The above-captioned bonds (the “**Bonds**”) are being issued pursuant to a Trust Indenture, dated as of August 1, 2022 (the “**Indenture**”), between the Community Development Administration, Maryland Department of Housing and Community Development (the “**Administration**”) and Wilmington Trust, National Association (the “**Trustee**”). Pursuant to the Indenture and the Financing Agreement, dated as of August 1, 2022, among the Administration, the Trustee and the Borrower (the “**Financing Agreement**”), the Dissemination Agent and the Borrower covenant and agree as follows:

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

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

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

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

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

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

“*Dissemination Agent*” shall mean Wilmington Trust, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower and which has filed with the Trustee a written acceptance of such designation.

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

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

“*Participating Underwriter*” means Wells Fargo Bank, National Association and Jefferies LLC, and/or their respective successors and assigns.

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

**Section 3. Provision of Annual Reports.** (a) The Borrower will, or will cause the Dissemination Agent to, not later than 180 days following the end of the Borrower’s fiscal year, commencing with the fiscal year ending on December 31, 2023, provide to the MSRB an Annual Report which is consistent with the requirements described below. No later than 15 Business Days prior to said date, the Borrower will provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent). In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package and may cross reference other information, provided that the audited financial statements for the prior calendar year of the Borrower may be submitted separately from the balance of the Annual Report.

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

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

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

**Section 4. Content of Annual Reports.** The Borrower’s Annual Report will contain or incorporate by reference the following:

(a) Financial information with respect to the Project, provided at least annually, of the type included in Exhibit A hereto, which Annual Report may, but is not required to, include Audited Financial Statements. If the Borrower’s Audited Financial Statements are not available by the time the Annual Report is required to be filed, the Annual Report will contain unaudited financial statements in a format similar to the form of the Borrower’s Audited Financial Statements, and the Audited Financial Statements will be filed in the same manner as the Annual Report when and if they become available; and

(b) Tables setting forth the following information as of the end of such fiscal year:

(i) The original aggregate principal amount of the Bonds and the aggregate principal amount of the Bonds remaining Outstanding; and

(ii) With respect to the MBS relating to the Bonds, the MBS pool number, the MBS CUSIP number, the original principal amount and the principal amount outstanding of the MBS.

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

Each annual report submitted hereunder shall be in readable portable document format (“PDF”) or other acceptable electronic form.

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

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulty;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulty;

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

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or

determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Borrower. For purposes of this clause (xii), any such event shall be considered to have occurred when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Borrower in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Borrower, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Borrower;
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or paying agent or the change of the name of a trustee or paying agent, if material;
- (xv) Incurrence of a financial obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Borrower, any of which affect security holders, if material;
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Borrower, any of which reflect financial difficulties.
- (xvii) Delivery of the MBS and/or the Pool Number from Fannie Mae and any extension of the MBS Delivery Date Deadline.

For purposes of clauses (xv) and (xvi) of this Section 5(a), “financial obligation” is as contemplated by Exchange Act Release No. 34-83885; File No. S7-01-17 (the “**Adopting Release**”).

(b) The Dissemination Agent shall, within three (3) Business Days of obtaining actual knowledge of the occurrence of any potential Listed Event, pursuant to subsection (c) of this Section 5 or otherwise, provide the Disclosure Representative with notice (by email). While the Dissemination Agent is also the Trustee, the Dissemination Agent shall be deemed to have actual knowledge of those items listed in clauses (i), (iii) (solely with respect to funds held by the Trustee), (iv) (solely with respect to credit enhancements for which the Trustee is the beneficiary), (v) (solely with respect to credit or liquidity facilities of which the Trustee is the beneficiary) above, (vii), (viii), (ix) and (xiv) above without the Dissemination Agent having received written notice of such event. While the Dissemination Agent is not also the Trustee, the Dissemination Agent shall not be deemed to have actual knowledge of any items listed in clauses (i) - (xiv) above without the Dissemination Agent’s having received written notice of such event. For purposes of providing notice to the Disclosure Representative, the Dissemination Agent shall assume that the unscheduled draws described in clauses (iii) and (iv) reflect financial difficulty.

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

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

(e) If the Dissemination Agent has been provided with a written notice describing a Listed Event pursuant to subsection (c) of this Section 5 or otherwise, and is instructed by the Borrower to report the occurrence of such Listed Event, the Dissemination Agent shall, within two (2) Business Days of its receipt of such written notice and in any event, provided the Borrower has timely provided notice pursuant to subsection (c) of this Section 5, no more than ten (10) Business Days after the occurrence of the Listed Event, file the notice with the MSRB and send a copy to the Borrower.

**Section 6. Amendment; Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement (and the Dissemination Agent will agree to any amendment so requested by the Borrower unless such amendment adversely affects its rights, duties, protections, immunities, indemnities or standard of care, as determined by the Dissemination Agent) and any provision of this Continuing Disclosure Agreement may be waived, provided that the following conditions are satisfied:

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

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

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

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

**Section 7. Default.** In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, and such failure to comply continues beyond a period of thirty (30) days following written notice to the Borrower and the Dissemination Agent, the Borrower or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking, or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement will not be deemed an Event of Default under the Indenture or the Financing Agreement, and the sole remedy under this Continuing Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement will be an action to compel performance.

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

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

## **Section 10. Duties, Immunities and Liabilities of Dissemination Agent.**

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement. The Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Borrower has provided such information to the Dissemination Agent as required by this Continuing Disclosure Agreement. The Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Dissemination Agent shall have no duty or obligation to review or verify any information, disclosures or notices provided to it by the Borrower and shall not be deemed to be acting in any fiduciary capacity for the Administration, the Holders of the Bonds or any other party. The Dissemination Agent shall have no responsibility for the Borrower's failure to report to the Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Borrower has complied with this Continuing Disclosure Agreement. The Dissemination Agent may conclusively rely upon Certifications of the Borrower at all times.

The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Borrower.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

**Section 11. Notices.** All notices, requests, demands or other communications to or upon the respective parties hereto shall be deemed to have been duly given or made when delivered personally or by mail (including electronic mail), with preference for delivery by electronic mail, to the party to which such notice, request, demand or other communication is required or permitted to be given or made under this Continuing Disclosure Agreement and addressed as set forth below (provided notice to the Dissemination Agent shall be deemed given upon receipt):

*If to the Borrower:*

Roslyn Rise Four, LLC  
c/o Enterprise Community Development, Inc.  
11000 Broken Land Parkway  
Columbia, MD 21044  
Attention: Christine Madigan  
Email: cmadigan@ecdcommunities.org

*If to the Dissemination Agent:*

Wilmington Trust, National Association  
Global Capital Markets  
1100 North Market Street  
Wilmington, DE 19890  
Attention: Christopher J. Slaybaugh  
Email: cslaybaugh@wilmingtontrust.com

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

**Section 13. Termination of this Continuing Disclosure Agreement.** The Borrower or the Dissemination Agent may terminate this Continuing Disclosure Agreement by giving written notice to the other party at least 30 days prior to such termination. The Dissemination Agent shall be fully discharged at the time any such termination is effective. The Borrower' and the Dissemination Agent's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination

occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination in a filing with the MSRB.

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

[Remainder of page intentionally left blank]



IN WITNESS WHEREOF, the parties hereto have caused this Continuing Disclosure Agreement to be executed by their duly authorized representatives as of the date set forth above.

**ROSLYN RISE FOUR, LLC**

By: ECD Roslyn Rise Four, LLC,  
its Managing Member

By: Enterprise Community Development, Inc.,  
a Maryland non-stock corporation,  
its Sole Member

By: \_\_\_\_\_  
Name: Stacie Birenbach  
Title: Senior Director, Real Estate Development

[Signatures continue on following page]

[Dissemination Agent's Signature Page to Continuing Disclosure Agreement]

WILMINGTON TRUST, NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_ (SEAL)  
Christopher J. Slaybaugh  
Vice President

**EXHIBIT A****ANNUAL REPORT**

**\$14,975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Roslyn Rise 4%)**  
**Series 2022 E-1**  
**(MTEBS)**

**\$975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Roslyn Rise 4%)**  
**Series 2022 E-2**  
**(Cash-Collateralized)**

Annual report for the period ending December 31, \_\_\_\_\_

**THE PROJECT**

Name of the Project:	
Address:	
Number of Units:	

**INFORMATION ON THE BONDS AND THE MBS**

Original principal amount of Bonds:	
Outstanding principal amount of Bonds:	
MBS Pool Number:	
MBS CUSIP Number:	
Original principal amount of the MBS:	
Outstanding principal amount of the MBS:	

**OPERATING HISTORY OF THE PROJECT**

The tables set forth below offer a summary of the operating results of the Project for fiscal year ended December 31, \_\_\_\_\_, as derived from the Borrower's audited financial statements or unaudited financial statements.

<b>Financial Results for Fiscal Year Ending December 31,</b>	
Revenues	
Operating Expenses <sup>1</sup>	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

<sup>1</sup> Excludes depreciation and other non-cash expenses.

<b>Occupancy Results for Fiscal Year Ending December 31,</b>	
Physical Occupancy <sup>1</sup>	%
Economic Occupancy	%

<sup>1</sup>The physical occupancy rate is the proportion of units that are occupied or leased by tenants. The economic occupancy rate is the proportion of the gross potential rent that is actually collected. As such, the economic occupancy takes into consideration items such as model units, employee units, discounted units, rent incentives, loss to lease and bad debt expense.

**EXHIBIT B**  
**NOTICE OF FAILURE TO**  
**FILE ANNUAL DISCLOSURE REPORT**

Name of Issuer: Community Development Administration

Name of Issue: Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%),  
Series 2022 E-1 (MTEBS); Multifamily Development Revenue Bonds (Sustainability  
Bonds) (Roslyn Rise 4%), Series 2022 E-2 (Cash Collateralized)

Name of Borrower: Roslyn Rise Four, LLC

CUSIPs:

Date of Issuance:

NOTICE IS HEREBY GIVEN that the above-referenced borrower (the “**Borrower**”) has not provided an Annual Report with respect to the above-named Bonds as required by its Continuing Disclosure Agreement. The undersigned has been informed by the Borrower that it anticipates that Annual Report will be filed by \_\_\_\_\_.

DATED:

**[Dissemination Agent Signature Block]**

cc: Borrower

## APPENDIX H

### THE PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET

#### The Private Participants

*The following information concerning the Project, the Borrower and the related private participants has been provided by representatives of the private participants and has not been independently confirmed or verified by the Administration or the Underwriters. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof.*

##### The Borrower

The Borrower is Roslyn Rise Four, LLC, a Maryland limited liability company. The Borrower is a single-purpose entity formed to acquire, construct and operate the Project. The Borrower's managing member is ECD Roslyn Rise Four, LLC (the "**Managing Member**"), and the sole member of the Managing Member is Enterprise Community Development, Inc. ("**Enterprise**").

Enterprise, which is the indirect controlling entity of the managing member of Borrower, and Enterprise Mortgage Holdings, Inc., which is the majority owner of the Lender, are indirectly controlled by Enterprise Community Partners, Inc. Enterprise's ownership interest in the Borrower is approximately 0.02%.

The Borrower has not acquired and does not intend to acquire any substantial assets or engage in any substantial business activities other than those related to the Project. However, affiliates of the Borrower may engage in the acquisition, development, ownership and management of other similar types of projects that may be competitive with Roslyn Rise 4%.

##### The Developer

Enterprise will act as the developer of the Project (the "**Developer**"). The Developer is highly experienced in all facets of affordable housing, including the new construction of affordable housing projects.

##### Tax Credit Investor

Simultaneously with the issuance of the Bonds, the Borrower and the Managing Member expect to admit an affiliate of The Banc of America Housing Fund XV Limited Partnership, LLLP, a Maryland limited liability limited partnership, as a non-managing investor member (the "**Tax Credit Investor**") of the Borrower with a 99.99% ownership interest therein. The funding of the federal low-income housing tax credit equity by the Tax Credit Investor is expected to total the amounts described below in this APPENDIX H under "The Project – Roslyn Rise 4% – The Tax Credit Equity." The funding levels and the timing of the funding are subject to numerous adjustments and conditions that could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above, and no representation is made as to the availability of such funds.

Enterprise, which is the indirect controlling entity of the fund manager of the Tax Credit Investor, and Enterprise Mortgage Holdings, Inc., which is the majority owner of the Lender, are indirectly controlled by Enterprise Community Partners, Inc.

##### Limited Assets and Obligation of the Borrower, Managing Member, and Tax Credit Investor

The Borrower has no substantial assets other than the Project and does not intend to acquire any other substantial assets or to engage in any substantial business activities other than those related to the acquisition, development, ownership, and management of the Project. However, the Managing Member, the Tax Credit Investor, and their affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of similar types of housing projects. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The Borrower and its members will not be personally liable for payments on the Note, the payments on which are to be applied to pay the principal of and interest on the Bonds; nor will the Borrower be personally liable under the

other documents executed in connection with the issuance of the Bonds and the making of the Loan. Furthermore, no representation is made that the Borrower will have substantial funds available for the Project. Accordingly, neither the Borrower’s financial statements nor those of its members are included in this Official Statement.

**The Architect**

The Architect is Grimm and Parker Architecture, Inc. (the “**Architect**”). The Architect is not an affiliate of the Developer. Established in 1972, the Architect is a comprehensive design firm with offices in Maryland and Virginia, with a focus on multi-family communities, active adult communities and senior living facilities and mixed-income developments and neighborhoods.

**The General Contractor**

The general contractor for the project is Harkins Builders, Inc. (the “**General Contractor**”). The General Contractor is not an affiliate of the Developer. Based out of Columbia, Maryland, the General Contractor was formed and commenced business in 1965 and is a Maryland-licensed contractor. Since inception, the General Contractor has constructed or rehabilitated over 65 affordable communities with contracts totaling over \$910,000,000 over the last five years.

**The Property Manager**

Enterprise Residential, LLC, a Maryland limited liability company (the “**Property Manager**”), will manage the Project following the acquisition of the Project by the Borrower. The Property Manager, formerly known as R Home Property Management, LLC, is an affiliate of Enterprise Community Development, Inc. The Property Manager has over 4,000 units under management.

**The Project**

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

The Project will be located in Howard County, Maryland, on an approximately 1.62 acre site. The Project will contain 94 units located in one four-story building. Construction of the Project is anticipated to commence in August 2022 and be completed approximately 20 months later. The unit mix of the Project is as follows:

<u>Unit Type</u>	<u>Number</u>	<u>Approximate Square Feet</u>
1 BD	45	652
2 BD	40	907
3 BD	8	1,293
4 BD	1	1,765
<b>Total:</b>	94	

[Remainder of page intentionally left blank]

## Plan of Financing

The estimated sources and uses for the Project are projected to be approximately as follows:

### Sources of Funds

Bonds (MTEBs)	\$14,975,000
Bonds (Cash-Collateralized)	975,000
Tax Credit Equity	7,673,000
Rental Housing Works Loan	3,500,000
Rental Housing Program Funds Loan	2,000,000
Seller Mortgage Loan	2,350,901
Seller Soft Loan	3,100,000
Accrued Interest on CHHI Loans	131,259
Energy Star Rebate	47,000
Payment from Roslyn Rise 9% for Amenity Space	30,915
Relocation Escrow	765,000
Deferred Developer Fee	786,304
Enterprise Capital Contribution – Land	<u>3,777,262</u>
<b>Total</b>	<b>\$40,111,641</b>

### Uses of Funds

Acquisition	\$ 7,746,764
Construction	19,605,692
Hard Cost Contingency	991,575
Developer Fee	2,500,000
Soft Costs	2,362,099
Financing Costs	3,825,775
Tax Credit & Syndication Costs	174,230
Reserves	1,930,506
Retire Bonds (Cash-Collateralized)	<u>975,000</u>
<b>Total</b>	<b>\$40,111,641</b>

All costs of issuing the Bonds, including the Underwriters' fee, will be paid by the Borrower.

The Borrower expects to utilize the following sources to finance the acquisition and construction of the Project.

*The Construction Loan, the Mortgage Loan, and the Bonds.* At closing, the Project will utilize the Construction Loan, which is from the Construction Lender in the approximate principal amount of \$19,000,000. The obligation to repay the Construction Loan will be set forth in the Construction Note from the Borrower to the Construction Lender. The Construction Note will be secured by a senior mortgage against the Project. The Construction Note will have a term of 36 months, plus one 6-month extension subject to the approval of the Construction Lender and will bear interest at a variable rate based on BSBY Daily Floating Rate + 2.6% spread (with a floor of 0.50%), reset on the first day of each month, with monthly payments of interest only, and principal and interest not otherwise paid due at maturity. Following the Conversion Date, the Construction Loan will be repaid with funds from the Mortgage Loan, which is in the approximate principal amount of \$14,975,000 from the Lender, and other sources available to the Borrower. The obligation to repay the Mortgage Loan will be set forth in the Mortgage Note from the Borrower to the Lender, which Mortgage Note will have a loan term, will bear interest at the rate and will amortize over the period set forth in the Term Sheet below. From and after the Conversion Date, the principal amount of the Bonds will be equal to the principal amount of the Mortgage Loan. Following the MBS Delivery Date set forth in the Term Sheet, payments on the Bonds will be payable by the Trustee from payments received by the Trustee under the MBS.

*The Tax Credit Equity.* Simultaneously with the issuance of the Bonds, the Borrower and the Managing Member expect to offer the Tax Credit Investor a 99.99% ownership interest in the Borrower. Pursuant to the admission of the Tax Credit Investor, the funding of the Tax Credit Equity will total approximately \$7,673,000 with an initial contribution of approximately \$767,300, which will be funded on the Closing Date. The funding levels and the timing of the funding are subject to numerous adjustments and conditions which could result in the amounts funded and/or the timing or even occurrence of the funding varying significantly from the projections set forth above and neither the Administration nor the Underwriters makes any representation as to the availability of such funds.

*The RHW Loan.* The Borrower will obtain a loan in the amount of \$3,500,000 with funding from the Administration under its Rental Housing Works Program.

*The RHP Loan.* The Borrower will obtain a loan in the amount of \$2,000,000 with finding from the Administration under its Rental Housing Program.

*Seller Mortgage Loan.* The Borrower will obtain a mortgage loan in the amount of \$2,350,901 from Community Homes Housing, Inc.

*Seller Soft Loan.* The Borrower will obtain a mortgage loan in the amount of \$3,100,000 from Community Homes Housing, Inc.

*Deferred Developer Fee.* The Project will also utilize deferred developer fee in the amount of \$786,304 as a source of funding. The deferred developer fee will be repaid through surplus cash flow received from the operation of the Project.

## **Project Regulation**

In order to obtain low-income housing tax credits, the Project will be operated as a qualified residential rental project with approximately 61.79% of the residential units in the Project (based on square footage) occupied by Qualified Tenants during the Qualified Project Period, in accordance with Section 142(d) of the Code. See APPENDIX E — “SUMMARY OF CERTAIN PROVISIONS OF THE REGULATORY AGREEMENT” herein.

In addition to the rental restrictions imposed upon the Project by the Regulatory Agreement (defined below), the Project will be further encumbered by a tax credit restrictive covenant, to be executed by the Borrower in connection with the low-income housing tax credits (the “**LIHTCs**”) anticipated to be granted for the Project and in compliance with the requirements of Section 42 of the Code. Section 42 of the Code will restrict the income levels of approximately 59.57% of the residential units in the Project (based on square footage) (the “**Tax Credit Units**”). 10 units of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 30% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 30% of AMI, adjusted for family size. 13 units of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 40% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 40% of AMI adjusted for family size. 7 units of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 50% of the AMI adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 50% of AMI adjusted for family size. 3 units of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 60% of the Statewide Median Income adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 60% of Statewide Median Income adjusted for family size. 23 units of the Tax Credit Units shall be held available for rental to persons whose adjusted family income is equal to or less than 80% of the Statewide Median Income adjusted for family size and the rents which may be charged for occupancy of such units will be restricted to not more than 30% of 80% of Statewide Median Income adjusted for family size. At least 40% of the units shall continuously be maintained as both rent-restricted and occupied by individuals whose income is 80% or less of AMI, so long as the average of the income limitations for all Tax Credit Units does not exceed 60% of AMI.



**Sustainability Bonds Designation**

The Project is expected to satisfy the Development Quality Thresholds of the Guide, including base level green and energy efficiency standards. The Borrower also expects to follow and/or implement the Expected Green Building Standards and Features set forth in the following table:

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**Roslyn Rise 4% – Sustainability Standards**

Project Name	Location (City, County, Zip Code)	Physical Structure	Units	Expected Unit Set-Aside Breakdown at or Below										LIHTC Award	Expected Green Building Standards and Features
				25% AMI	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	90% AMI	100% AMI	110% AMI			
Roslyn Rise 4%	Columbia, Howard County, 21044	one four-story building	94		10	13	7	3	23					Yes	Energy Star windows and appliances, EPA Water Sense faucets and bath fixtures, high efficiency mechanical systems with programmable thermostats

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## The Term Sheet

*This Term Sheet assumes the Mortgage Loan (as defined herein) is originated in an amount equal to the maximum amount available under the Lender Commitment and that all the Conditions to Conversion have been satisfied and have not been waived or modified. See “Multifamily Schedule of Loan Information” herein.*

<b>\$14,975,000</b> <b>Community Development Administration</b> <b>Maryland Department of Housing and Community Development</b> <b>Multifamily Development Revenue Bonds</b> <b>(Sustainability Bonds)<sup>†</sup></b> <b>(Roslyn Rise 4%)</b> <b>Series 2022 E-1 (MTEBS)</b> <b>Closing Date: August 11, 2022</b> <b>Fannie Mae Multifamily Pool Number: TBD</b> <b>Bond CUSIP: 20364N AN7</b> <b>POOL STATISTICS AS OF CLOSING DATE</b>	
<b>TAX-EXEMPT BOND ISSUE INFORMATION</b> <i>(Information provided by Administration for this Official Statement)</i>	
BOND ISSUER NAME	Community Development Administration, Maryland Department of Housing and Community Development (“Administration”)
BOND ISSUE SERIES	Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%), Series 2022 E (MTEBS)
BOND ISSUE PAR	\$14,975,000
BOND DATED DATE	August 1, 2022
BOND MATURITY DATE	March 1, 2043
BOND ISSUE TAX STATUS	See “TAX MATTERS” in the Official Statement
BOND ISSUE CUSIP	20364N AN7
COLLATERAL FOR THE BOND ISSUE	Fannie Mae DUS MBS (see pool info below)
BOND ISSUE CREDIT RATING	Moody’s “Aaa”
BOND CLOSING DATE	August 11, 2022
BOND PAYMENT DATES	One business day later than payment on underlying Fannie Mae MBS
BOND FIRST PAYMENT DATE	September 26, 2022, or the following Business Day if such day is not a Business Day
BOND INTEREST-ONLY PERIOD	43 months after Closing Date
BOND FIRST PRINCIPAL PAYMENT DATE	April 26, 2026, or if such day is not a Business Day, the next Business Day

<sup>†</sup> The Bonds are being issued pursuant to the Administration’s sustainability standards, which are based on the Maryland Qualified Allocation Plan and Multifamily Rental Financing Program Guide, not pursuant to Fannie Mae’s Social, Green and Sustainable MBS Framework. See “THE ADMINISTRATION – Green Standards” herein.

BOND FINAL PAYMENT DATE	The Business Day after the MBS payment is received on March 25, 2043, or, if such day is not a Business Day, the next Business Day <sup>1</sup>
ALL OTHER BOND ISSUE TERMS	Same as underlying MBS
BOND NET PASS THROUGH RATE	4.15%
BOND OFFERING PRICE	100%
BOND UNDERWRITER COMPENSATION	\$138,112.35
BOND UNDERWRITER	Wells Fargo Bank, National Association and Jefferies LLC
MANDATORY REDEMPTION OF BONDS	See “DESCRIPTION OF THE BONDS — Mandatory Redemption of Bonds” in the Official Statement
OPTIONAL REDEMPTION OF BONDS	The Bonds are not subject to optional redemption other than in connection with a prepayment of the Loan as set forth in the Indenture
BOND EXCHANGE FEATURE	See “DESCRIPTION OF THE BONDS — Optional Exchange of Bonds for MBS” in the Official Statement
INITIAL TERMINATION DATE	September 1, 2025, or, if such day is not a Business Day, the following Business Day
INITIAL MBS DELIVERY DATE DEADLINE	September 25, 2025, or, if such day is not a Business Day, the following Business Day, which may be extended in accordance with terms of the Indenture
OUTSIDE TERMINATION DATE	March 1, 2026, or, if such day is not a Business Day, the following Business Day
BOND TRUSTEE	Wilmington Trust, National Association
BOND REMAINING TERM TO MATURITY	204 months from the Outside Termination Date
WEIGHTED AVERAGE MATURITY	18.803 Years
<p style="text-align: center;"><b>POTENTIAL UNDERLYING FANNIE MAE POOL STATISTICS</b></p> <p style="text-align: center;"><i>(Information provided by Lender for this Official Statement, assuming the origination of the entire Mortgage Loan amount subject to the Lender Commitment and no waiver or modification of any condition to the origination of the Mortgage Loan in the Lender Commitment on or prior to the termination date)</i></p>	
NOTE RATE	5.26%
ISSUANCE PASS-THROUGH RATE	4.15%
POOL ISSUANCE UPB (\$)	\$14,975,000
MAXIMUM ISSUANCE UPB	\$14,975,000
POOL MATURITY DATE	March 1, 2043
ESTIMATED MBS DELIVERY DATE	September 25, 2025, assuming a Conversion Date on or about September 1, 2025
ORIGINAL LOAN TERM (MONTHS)	No less than 204 months from the Conversion Date
REMAINING TERM TO MATURITY (MONTHS)	Commencing on the Conversion Date and ending on March 1, 2043, but no less than 204 months

<sup>1</sup>There shall be no further accrual of interest from the Bond Maturity Date to the date the final payment is made with respect to the Bonds. Because of this lag in payment of principal and interest inherent in the payment terms of the Bonds and the one Business Day lag in payment, the effective yield on the Bonds will be lower than the Bond Net Pass-Through Rate on the Bond.

NUMBER OF LOANS	1
POOL SECURITY FUNDS TRANSFER TYPE	Fed Wire
TRANSACTION TYPE	DUS
POOL FIRST PAYMENT DATE	25th day of the month following the month in which the MBS is delivered, or the following Business Day if such day is not a Business Day
POOL FINAL PAYMENT DATE	March 25, 2043, or the following Business Day if such day is not a Business Day
SECURITY TYPE	Fannie Mae MBS
SELLER NAME	Bellwether Enterprise Mortgage Investments, LLC
SERVICER NAME	Bellwether Enterprise Mortgage Investments, LLC
POOL NUMBER	TBD
% OF INITIAL POOL BALANCE	100%
POOL PREFIX	TBD
<b>POTENTIAL MULTIFAMILY SCHEDULE OF LOAN INFORMATION</b> <i>(Information provided by Lender for this Official Statement, assuming the origination of the entire Mortgage Loan amount subject to the Lender Commitment and no waiver or modification of any condition to the origination of the Mortgage Loan in the Lender Commitment on or prior to the termination date)</i>	
FANNIE MAE LOAN NUMBER	TBD
LOAN MATURITY DATE	March 1, 2043
TIER	2
TIER DROP ELIGIBLE	No
LIEN PRIORITY	First
WEIGHTED AVERAGE LTV	N/A
WEIGHTED AVERAGE ISSUANCE UW NCF DSCR(x)	N/A
BALLOON	Yes
OTHER DEBT	Yes
ORIGINAL UPB	\$14,975,000
ISSUANCE UPB	\$14,975,000
PREPAYMENT PREMIUM OPTION	Yield Maintenance – CMT as defined in the Fannie Mae Multifamily MBS Prospectus

PREPAYMENT PREMIUM	Yield maintenance commencing on the Conversion Date and ending 180 months after the Conversion Date. <sup>2</sup> Thereafter, a 1% prepayment penalty shall apply until the last 3 months of the mortgage loan term. <sup>3</sup> Thereafter, no prepayment premium shall apply.
PREPAYMENT PREMIUM END DATE	August 31, 2040, estimated (YM); November 30, 2042 (1%)
FIRST LOAN PAYMENT DATE	First of the month following the month of the Conversion Date
ORIGINAL TERM (MONTHS)	204 months
AMORTIZATION TERM (MONTHS)	35 years (420 months) from March 1, 2026
INTEREST TYPE	Fixed
INTEREST ACCRUAL METHOD	Actual/360
INTEREST ONLY END DATE	March 1, 2026
INTEREST ONLY TERM (MONTHS)	Conversion Date to First Principal Payment Date of April 1, 2026
NOTE DATE	September 1, 2025, assuming a Conversion Date of September 1, 2025
WEIGHTED AVERAGE ACCRUING NOTE RATE (%)	N/A
LOAN PURPOSE	Acquisition/Construction
ISSUANCE NOTE RATE (%)	5.26%
MONTHLY DEBT SERVICE	\$78,078.13
MBS FRAMEWORK CRITERIA?	N
<p style="text-align: center;"><b>COLLATERAL INFORMATION</b></p> <p style="text-align: center;"><i>(Information provided by Lender for this Official Statement, assuming the origination of the entire Mortgage Loan amount subject to the Lender Commitment and no waiver or modification of any condition to the origination of the Mortgage Loan in the Lender Commitment on or prior to the termination date)</i></p>	
LOAN NUMBER	TBD
PROPERTY ID	9999111207
PROPERTY NAME	Roslyn Rise 4%
PROPERTY STREET ADDRESS	10351 Twin Rivers Road
PROPERTY CITY	Columbia
PROPERTY STATE	Maryland
PROPERTY ZIP CODE	21044
PROPERTY COUNTY	Howard County
METROPOLITAN STATISTICAL AREA	Washington-Arlington-Alexandria, DC-VA-MD-WV-MD

<sup>2</sup> A portion of this prepayment premium, if collected, may be shared with Certificateholders under the circumstances described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

<sup>3</sup> No portion of this prepayment premium, if collected, will be shared with Certificateholders under any circumstances as is described in “YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan—Prepayment Premiums” in the Fannie Mae MBS Prospectus.

YEAR BUILT	N/A
PHYSICAL OCCUPANCY (%)	0% (as of the Bond Closing Date)
UNDERWRITTEN ECONOMIC OCCUPANCY	5%
MAXIMUM PASS-THROUGH RATE	4.15%
MINIMUM PASS-THROUGH RATE	4.15%
REMAINING AMORTIZATION TERM	420 months commencing on the Outside Termination Date
ISSUANCE LTV (%)	85% (maximum)
ISSUANCE UW NCF DSCR (x)	1.18x
UW NCF DSCR (x)	1.18x
UNDERWRITTEN EFFECTIVE GROSS INCOME (\$)	\$1,868,914 (inclusive of Replacement Reserve)
UNDERWRITTEN TOTAL OPERATING EXPENSES (\$)	\$763,676 (inclusive of Replacement Reserve)
UNDERWRITTEN REPLACEMENT RESERVES (\$)	\$28,200 annually
UW NCF (\$)	\$1,105,238
CROSS-COLLATERALIZED (Y/N)	N
CROSSED TRANSACTION ID & LOAN NUMBER	N/A
CROSS-DEFAULTED (Y/N)	N
GENERAL PROPERTY TYPE	Multifamily Apartments
SPECIFIC PROPERTY TYPE	Multifamily Apartments
LAND OWNERSHIP RIGHTS	Fee simple
PROPERTY VALUE	\$6,800,000 (land, as of March 11, 2022)
SEISMIC RISK	The Project meets any Fannie Mae tests that require any mitigants for seismic risk.
TERRORISM INSURANCE COVERAGE (Y/N)	Y
TOTAL NUMBER OF UNITS	94 units
UNIT OF MEASURE	Units
AFFORDABLE HOUSING TYPE	Low Income Housing Tax Credit (94 units)
TAXES CURRENTLY ESCROWED	No
PROPERTY OWNER	Roslyn Rise Four, LLC
SPONSOR	Enterprise Community Development, Inc.
PROPERTY MANAGER	Enterprise Residential, LLC
PROPERTY MANAGER EXPERIENCE	The Property Manager, formerly known as R Home Properties, is a newly established arm of Enterprise Community Development, Inc. The Property Manager has over 4,000 units under management.

**MULTIFAMILY SCHEDULE OF LOAN INFORMATION  
CRA INFORMATION**

*(Information provided by Lender for this Official Statement, assuming the origination of the entire Mortgage Loan amount subject to the Lender Commitment and no waiver or modification of any condition to the origination of the Mortgage Loan in the Lender Commitment on or prior to the termination date)*

UNITS AT OR BELOW 30% OF AMI	10 units, estimated
UNITS AT OR BELOW 40% OF AMI	13 units, estimated
UNITS AT OR BELOW 50% OF AMI	7 units, estimated
UNITS AT OR BELOW 60% OF AMI	3 units, estimated
UNITS AT OR BELOW 80% OF AMI	23 units, estimated
UNITS WITH INCOME OR RENT RESTRICTION %	59.57% (56 units), estimated
AGE RESTRICTED INDICATOR	N/A
TAX ABATEMENT	Yes
TAX CREDIT INVESTOR	The Banc of America Housing Fund XV Limited Partnership, LLLP
REGULATORY AGREEMENTS OVERSEER	Community Development Administration, Maryland Department of Housing and Community Development
LIHTC REGULATORY AGREEMENT SET-ASIDES	59.57%, estimated, of units rented to tenants whose income is at or below 80% of AMI for an initial 15-year compliance period plus a 25-year extended use period. The Borrower is required to continuously maintain at least 40% of the Project apartment units as both rent-restricted and occupied by individuals whose income is 80% or less of AMI, so long as the average of the income limitations for all Tax Credit Units does not exceed 60% of AMI. See disclosure above for additional details.
BOND REGULATORY AGREEMENT SET-ASIDES	Under the Regulatory Agreement, the Borrower is required to continuously maintain at least 20% of the Project apartment units as both rent-restricted and occupied by individuals whose income is 50% or less of AMI.
LIHTC LOW INCOME HOUSING TAX CREDIT ELIGIBILITY	The Project has been awarded 4% LIHTC by the Administration. This requires a certain amount of construction. The Project must have tax-exempt financing for over 50% of project costs in order to be eligible for 4% LIHTC.

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**APPENDIX I**  
**PROPOSED FORMS OF OPINIONS OF BOND COUNSEL**

August 11, 2022

Community Development Administration  
Maryland Department of Housing and  
Community Development  
7800 Harkins Road  
Lanham, MD 20706

**\$14,975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Roslyn Rise 4%)**  
**Series 2022 E-1**  
**(MTEBS)**

Ladies and Gentlemen:

We have acted as Bond Counsel to the Community Development Administration (the “**Administration**”), a unit of the Division of Development Finance of the Department of Housing and Community Development (the “**Department**”), a principal department of the State of Maryland (the “**State**”), in connection with the issuance and sale of \$14,975,000 aggregate principal amount of its Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%), Series 2022 E-1 (MTEBS) (the “**Bonds**”).

The Bonds are being issued under and pursuant to (1) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the “**Act**”) and (2) the pursuant to a Trust Indenture dated as of August 1, 2022 (the “**Indenture**”) by and between the Administration and Wilmington Trust, National Association, as trustee (the “**Trustee**”). The Director of the Administration determined, pursuant to Section 4-245(a) of the Act, that the issuance of the Bonds is necessary to achieve one or more purposes of the Administration, and such determination was approved by the Secretary of the Department. Capitalized terms used in this opinion and not otherwise defined in this opinion shall have the meanings set forth in the Indenture or the Act.

Based upon the foregoing, we are of the opinion that:

- 1) Under the Constitution and laws of the State, the Act is valid and the Administration has been duly created and validly exists as a unit of the Division of Development Finance of the Department with such political and corporate powers as set forth in the Act and with good, right and lawful authority, among other things, to issue the Bonds to provide funds therefor and to perform its obligations under the terms and conditions of the Indenture.
- 2) The Indenture has been duly executed and delivered by the Administration and is valid and binding upon the Administration and is enforceable in accordance with its terms.
- 3) The Bonds are valid and legally binding limited obligations of the Administration secured by a pledge in the manner and to the extent set forth in the Indenture and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture. The Indenture creates the valid pledge of and the valid lien which it purports to create upon the Revenues and other assets and income described in the Indenture, subject only to the provisions of the Indenture permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Indenture.
- 4) Under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which such Bond is held by a person who is a “substantial user” of the facilities financed with the proceeds of the Bonds or a “related person”

within the meaning of Section 147(a) of the Code. Furthermore, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax.

- 5) Under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes.

The foregoing opinion is qualified only to the extent that the enforceability of the Bonds and the Indenture may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors' rights or remedies generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We express no opinion regarding any other Federal or state tax consequences with respect to the Bonds. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason.

Very truly yours,

August 11, 2022

Community Development Administration  
Maryland Department of Housing and  
Community Development  
7800 Harkins Road  
Lanham, MD 20706

**\$975,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Roslyn Rise 4%)**  
**Series 2022 E-2**  
**(Cash Collateralized)**

Ladies and Gentlemen:

We have acted as Bond Counsel to the Community Development Administration (the “**Administration**”), a unit of the Division of Development Finance of the Department of Housing and Community Development (the “**Department**”), a principal department of the State of Maryland (the “**State**”), in connection with the issuance and sale of \$975,000 aggregate principal amount of its Multifamily Development Revenue Bonds (Sustainability Bonds) (Roslyn Rise 4%), Series 2022 E-2 (Cash Collateralized) (the “**Bonds**”).

The Bonds are being issued under and pursuant to (1) Sections 4-101 through 4-255 of the Housing and Community Development Article of the Annotated Code of Maryland, as amended (the “**Act**”) and (2) the pursuant to a Trust Indenture dated as of August 1, 2022 (the “**Indenture**”) by and between the Administration and Wilmington Trust, National Association, as trustee (the “**Trustee**”). The Director of the Administration determined, pursuant to Section 4-245(a) of the Act, that the issuance of the Bonds is necessary to achieve one or more purposes of the Administration, and such determination was approved by the Secretary of the Department. Capitalized terms used in this opinion and not otherwise defined in this opinion shall have the meanings set forth in the Indenture or the Act.

Based upon the foregoing, we are of the opinion that:

- 1) Under the Constitution and laws of the State, the Act is valid and the Administration has been duly created and validly exists as a unit of the Division of Development Finance of the Department with such political and corporate powers as set forth in the Act and with good, right and lawful authority, among other things, to issue the Bonds to provide funds therefor and to perform its obligations under the terms and conditions of the Indenture.
- 2) The Indenture has been duly executed and delivered by the Administration and is valid and binding upon the Administration and is enforceable in accordance with its terms.
- 3) The Bonds are valid and legally binding limited obligations of the Administration secured by a pledge in the manner and to the extent set forth in the Indenture and are entitled to the equal benefit, protection and security of the provisions, covenants and agreements of the Indenture. The Indenture creates the valid pledge of and the valid lien which it purports to create upon the Revenues and other assets and income described in the Indenture, subject only to the provisions of the Indenture permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Indenture.
- 4) Under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any Bond for any period during which such Bond is held by a person who is a “substantial user” of the facilities financed with the proceeds of the Bonds or a “related person” within the meaning of Section 147(a) of the Code. Furthermore, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax.
- 5) Under existing statutes, the Bonds, their transfer, the interest payable thereon, and any income derived therefrom, including any profit realized on the sale or exchange thereof, are exempt from

taxation of every kind and nature whatsoever by the State of Maryland, except that no opinion is expressed with respect to any exemption from Maryland estate or inheritance taxes.

The foregoing opinion is qualified only to the extent that the enforceability of the Bonds and the Indenture may be limited by bankruptcy, moratorium, insolvency, or other laws affecting creditors' rights or remedies generally and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We express no opinion regarding any other Federal or state tax consequences with respect to the Bonds. We render our opinion under existing statutes and court decisions as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason.

Very truly yours,

## APPENDIX J

### SUSTAINABLE BONDS DESIGNATION

#### Sustainability Bonds Designation<sup>†</sup>

The Bonds are designated as Sustainability Bonds based on the intended use of proceeds of such Bonds to finance a project that is expected to provide affordable housing and include energy efficiency standards and features, or to refund prior bonds that have provided affordable housing incorporating energy efficiency standards and features. As described below, the Sustainability Bonds designation reflects the intended use of proceeds of the Bonds in a manner that is intended to generally comport with the “*Green Bond Principles: Voluntary Process Guidelines for Issuing Green Bonds*,” “*Social Bond Principles: Voluntary Process Guidelines for Issuing Social Bonds*,” and “*Sustainability Bond Guidelines*” as promulgated by the International Capital Market Association (“ICMA”). By reference to the ICMA’s “*Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*,” the Administration determines that the Administration’s Sustainability Bonds designation reflects the use of the proceeds in a manner that is consistent with the following United Nations 17 Sustainable Development Goals (referred to as “UNSDGs,” generally): “Goal 1: No Poverty” because the creation of affordable housing helps to mitigate poverty and promotes socioeconomic advancement and empowerment, “Goal 7: Affordable and Clean Energy” because the project is expected to comply with the Administration’s Green Standards, providing affordable access to modern energy improvements that increases energy efficiency, “Goal 10: Reduced Inequalities” because the QAP establishes policies and procedures that prioritize housing tax credits for communities and populations with greatest need of affordable housing, and “Goal 11: Sustainable Cities and Communities” because the project broadens access to adequate, safe and affordable housing for all (referred to as “SDG 1,” “SDG 7,” and “SDG 11,” specifically). The ICMA’s “*Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals*” maps SDG 1.4 and 1.5 to Social Bond Principle “Affordable Housing” and “Socioeconomic Advancement and Empowerment,” SDG 7.3 to Green Bond Principle “Energy Efficiency,” SDG 10.3 to Social Bond Principal “Socioeconomic Advancement and Empowerment,” and SDG 11.1 to Social Bond Principles “Affordable Housing” and “Affordable Basic Infrastructure.”

**Use of Proceeds.** The proceeds of the Bonds are expected to be applied as described under “DESCRIPTION OF THE LONG TERM BONDS” and “DESCRIPTION OF THE SHORT TERM BONDS” herein.

**Project Evaluation and Selection.** The Administration administers a variety of State and federal programs and awards LIHTC to finance the development of affordable rental housing in Maryland. Projects are selected for funding based on the Administration’s governing statute and regulations, as well as the criteria set forth in the QAP and the Guide. Among the criteria in the QAP and the Guide, projects must satisfy the Administration’s base level green and energy efficiency standards as part of a Development Quality Thresholds review. Each loan made from proceeds of the Sustainability Bonds has satisfied the Administration’s Development Quality Thresholds. See “THE ADMINISTRATION – Green Standards” for additional information on the Administration’s Development Quality Thresholds.

**Management of Proceeds.** Net of certain transaction costs, the proceeds of the Bonds will be deposited in segregated accounts under the Indenture and invested in Permitted Investments as permitted by the Indenture until disbursed to finance the Loan(s). Such disbursements will be tracked by the Administration.

**Post-Issuance Reporting.** For each loan financed by the Sustainability Bonds, the Administration expects the Borrower to provide annual updates, within 120 days of the end of each fiscal year of the Administration, commencing with the fiscal year ended June 30, 2023, regarding the disbursement of the proceeds of the Sustainability Bonds for the financing of such loan. The Administration will cease to update such information with respect to a particular loan when the applicable loan has been fully funded. This reporting is separate from the Administration’s obligations described in “CONTINUING DISCLOSURE” in this Official Statement. Failure by the Administration to provide such updates is not a default or an event of default under the Indenture. The Administration expects that such annual updates will consist of the information outlined in “FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING” herein. The specific form and content of such updates are in the absolute discretion of the Administration. Once all proceeds of the Sustainability Bonds have been disbursed, no further updates will be provided.

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<sup>†</sup> The Bonds are being issued pursuant to the Administration’s sustainability standards, which are based on the Maryland Qualified Allocation Plan and Multifamily Rental Financing Program Guide, not pursuant to Fannie Mae’s Social, Green and Sustainable MBS Framework. See “THE ADMINISTRATION – Green Standards” herein. Accordingly, Fannie Mae will not provide any reporting or compliance information with respect to the Bonds or the Mortgage Loan that is otherwise provided under the Fannie Mae’s Social, Green and Sustainable MBS Framework.

***Designation Does Not Involve Provision of Additional Security or Assumption of Special Risk.*** The term “Sustainability Bonds” is neither defined in nor related to provisions in the Indenture. The use of such term in this Official Statement and in the Sustainability Bonds is for identification purposes only and is not intended to provide or imply that an owner of Bonds so designated, including the Sustainability Bonds, are entitled to any additional security beyond that provided therefor in the Indenture. Holders of the Sustainability Bonds do not assume any specific risk with respect to any of the funded loans by reason of the Sustainability Bonds being designated as Sustainability Bonds.

**FORM OF SUSTAINABILITY BONDS ANNUAL REPORTING‡**

<b>Development Name (New Construction/ Rehabilitation)</b>	<b>Development Location</b>	<b>4% LIHTC Awarded</b>	<b>Anticipated Population Served or Elected %AMI</b>	<b>Environmental Attributes</b>	<b>Bond Proceeds Disbursed (\$) as of [June 30, ____]</b>	<b>Bond Proceeds Disbursed (%) as of [June 30, ____]</b>
[ ]	[City, County, Zip Code]	[Yes/No]	[≤ __% AMI]	[Insert Description]	[\$____]	[____%]

‡Once the Development has been completed and all related bond proceeds disbursed, no further annual updates will be provided.

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