

*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, (a) interest on the Bonds is excludable from gross income for federal income tax purposes, except for interest on any Bond during the period when such Bond is held by a "substantial user" of the facilities financed by the Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986 (the "Code"), and (b) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations. In addition, in the opinion of Bond Counsel, under existing State of Maryland 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.*

**\$98,810,000**

**Community Development Administration  
Multifamily Development Revenue Bonds  
(Sustainability Bonds)<sup>†</sup>  
(Villages at Marley Station)  
Series 2024 D-1  
(Fannie Mae MBS-Secured)**

**\$79,190,000**

**Community Development Administration  
Multifamily Development Revenue Bonds  
(Sustainability Bonds)<sup>†</sup>  
(Villages at Marley Station)  
Series 2024 D-2  
(Cash-Collateralized)**

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) (Villages at Marley Station) Series 2024 D-1 (Fannie Mae MBS-Secured) (the "**Long Term Bonds**") and its Multifamily Development Revenue Bonds (Sustainability Bonds) (Villages at Marley Station) Series 2024 D-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 Bonds will be made in book-entry form only, in denominations of \$5,000 and integral multiples 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, rehabilitation and equipping of a 757-unit multifamily residential rental facility known as Villages at Marley Station (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 November 20, 2024 (the "**Lender Commitment**") from PNC Bank, National Association (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.



Interest on the Long Term Bonds will be payable semiannually on each February 1 and August 1, commencing August 1, 2025, or the next succeeding Business Day if such 1st day is not a Business Day. Interest on the Short Term Bonds will be payable on each February 1 and August 1, commencing August 1, 2025, 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 Jefferies LLC, on behalf of itself and the other underwriters named herein (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, Winthrop & Weinstine, P.A., Minneapolis, MN, and for the Underwriters by their counsel, Tiber Hudson LLC, Washington D.C. 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 December 19, 2024.*

**Jefferies LLC****BofA Securities****J.P. Morgan****Loop Capital****Morgan Stanley****RBC Capital Markets****Wells Fargo Securities**

Dated: December 3, 2024

<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.

## MATURITY SCHEDULE

**\$98,810,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-1**  
**(Fannie Mae MBS-Secured)**

**\$79,190,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-2**  
**(Cash-Collateralized)**

### \$8,785,000 Series 2024 D-1 Serial Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP (Base CUSIP: 20364N)†</u>	<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP (Base CUSIP: 20364N)†</u>
August 1, 2029	\$500,000	3.30%	BS5	August 1, 2033	\$600,000	3.70%	CA3
February 1, 2030	510,000	3.35	BT3	February 1, 2034	605,000	3.70	CB1
August 1, 2030	525,000	3.45	BU0	August 1, 2034	625,000	3.75	CC9
February 1, 2031	530,000	3.50	BV8	February 1, 2035	630,000	3.80	CD7
August 1, 2031	545,000	3.55	BW6	August 1, 2035	660,000	3.85	CE5
February 1, 2032	555,000	3.60	BX4	February 1, 2036	665,000	3.90	CF2
August 1, 2032	570,000	3.65	BY2	August 1, 2036	685,000	3.90	CG0
February 1, 2033	580,000	3.70	BZ9				

### \$90,025,000 Series 2024 D-1 Term Bonds

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP (Base CUSIP: 20364N)†</u>
August 1, 2039	\$4,470,000	4.00%	CH8
February 1, 2044	85,555,000	4.35	CJ4

**\$79,190,000 3.30% Series 2024 D-2 Term Bonds, Due: January 1, 2029, CUSIP: 20364NCK1**

**Price of All Series 2024 D Bonds: 100%**

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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 Underwriters have been able to verify the accuracy or completeness of the information contained in website 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. Investors reviewing such information must rely on the providers of such information for its accuracy and completeness in making any investment decisions regarding the Bonds. Unless specified otherwise, such websites 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 CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. 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

**\$98,810,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)<sup>†</sup>**  
**(Villages at Marley Station)**  
**Series 2024 D-1**  
**(Fannie Mae MBS-Secured)**

**\$79,190,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)<sup>†</sup>**  
**(Villages at Marley Station)**  
**Series 2024 D-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) (Villages at Marley Station) Series 2024 D-1 (Fannie Mae MBS-Secured) (the “**Long Term Bonds**”) and its Multifamily Development Revenue Bonds (Sustainability Bonds) (Villages at Marley Station) Series 2024 D-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 Fairfield Marley Station LP (the “**Borrower**”), the Administration will apply the proceeds of the Bonds to provide financing for a multifamily rental housing facility known as Villages at Marley Station (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 rehabilitation of the Project and the delivery of an 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 rehabilitation of the Project. The MBS will be backed by a 15-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 PNC Bank, National Association (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 November 20, 2024 (the “**Lender Commitment**”) from PNC Bank, National Association (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.”

The Long Term Bonds shall bear interest on the outstanding principal amount thereof at the interest rate set forth on the cover page hereof. The MBS is expected to be delivered by the MBS Delivery Date, initially defined as January 25, 2029. Principal and interest on the Bonds will be payable semiannually on the 1st day of each February and August, or the next succeeding Business Day if such 1st day is not a Business Day, with interest commencing August 1, 2025. Following the delivery of the MBS, MBS payments will be made monthly on the 25th of each month, or if not a Business Day, the following Business Day. Fannie Mae’s role with respect to the Long Term Bonds is limited to issuing and discharging its obligations under the MBS if and when delivered. Fannie Mae has no responsibility for the structuring and timing of Long Term Bond payments from MBS Revenues. 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 each Payment Date shall relate to the interest accrued during the preceding six calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued on the Long Term Bonds from the Closing Date to but not including such Initial Payment Date.

## **The Short Term Bonds**

At all times, the Series D-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 Laws 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 up to 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.

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The Division of Information Technology develops and maintains information systems and trains the Departmental 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**

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 summarized from the 2020 version of the Guide (the “**2020 Guide**”) and/or the 2022 version of the Guide (the “**2022 Guide**”) or the 2023 version of the Guide (the “**2023 Guide**”), with differences noted. The 2022 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 plantings (under the 2020 Guide) or 50% native or regionally adapted plantings (under the 2022 Guide and the 2023 Guide), drought and disease tolerant plantings that are highly suitable for the development soil and microclimate. Where there are healthy large existing trees, developments must consider preserving mature trees in the site plan, utilize shade, windbreak and screening benefits of plantings in the project design, and protect trees during construction (under the 2020 Guide) or protect trees and root zones during construction (under the 2022 Guide and the 2023 Guide). 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. New developments must not be located in FEMA Flood Zone Areas, except zones C or X, which are minimal risk areas.

Additional Requirements under the 2023 Guide, The following criteria apply to all Developments subject to the 2023 Guide:

- All Developments must have at least one electric fueling station.
- All HVAC systems that are replaced or installed must be Energy Star qualified or provide at least 10% greater efficiency than code minimum (or as close to 10% as possible). Developments that will qualify as “Zero Energy Ready Home” under the U.S. Department of Energy criteria or that will meet a comparable DHCD approved energy savings may request a waiver of the Energy Star HVAC requirements.
- All appliances must be Energy Star qualified, including vented bathroom exhaust fans.
- All lighting fixtures must be Energy Star certified LED lighting fixtures or LED lamps when lighting is replaced or installed. If Energy Star options are not available, fixtures or lamps may be those that are approved by the Design Lights Consortium.
- All Developments (except for high rise Developments) must install Energy Star qualified windows in accordance with the current Energy Star Standards as appropriate to the location of the Development when windows are replaced or installed.

#### *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, each 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 supply ducting for split HVAC systems must be insulated under the 2020 Guide or must be sealed and insulated under the 2022 Guide and the 2023 Guide. All appliances must be Energy Star qualified, including 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.

#### *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 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. However, the 2022 Guide clarifies that for any lighting products not available as Energy Star certified, such as commercial lighting, fixtures and lamps approved by the Design Lights Consortium may be selected and installed instead. 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 under the Guide’s Green Features by receiving certification using green building criteria from one of the organizations listed below:

- Enterprise Green Communities – Enterprise Green Communities Criteria, as updated
- U.S. Green Building Council – LEED V4 (Leadership in Energy and Environmental Design) Homes or Homes Midrise
- Home Innovation Research Labs – ICC-700 National Green Building Standard
- Southface – Earthcraft Multifamily, as updated
- Green Building Initiative – Green Globes

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 \$5,000 or any integral multiple of \$5,000 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 respective dates identified in the Term Sheet and on the front cover of this Official Statement. The Long Term Bonds shall bear interest on the outstanding principal amount thereof at the interest rates set forth on the cover page hereof. Interest on the Long Term Bonds shall be computed on the basis of a 360-day year under the assumption that all months, regardless of length, are comprised of exactly 30 calendar days (“30/360”). The payment of interest on each Payment Date shall relate to the interest accrued on the Long Term Bonds during the preceding six calendar months; provided that the payment of interest on the Initial Payment Date shall relate to the interest accrued on the Long Term Bonds from the Closing Date to but not including such Initial Payment Date.

Interest on the Long Term Bonds will be payable on each Payment Date to the Bondholders of record as of the applicable Record Date.

All payments of interest with respect to the Long Term Bonds will be paid to the Bondholders by the Trustee from funds held in the Long Term Bond Revenue Account under the Indenture. All payments of principal and interest with respect to the Bonds will be paid to the Bondholders in proportion to the principal amount of each Bond owned by each such owner as set forth on the records of the Trustee as of 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 that Payment Date, payable with respect to principal first, from money on deposit in the Long Term Collateral Account and second, from money on deposit in the Long Term Bond Proceeds Account, and with respect to interest, from money on deposit in Long Term Revenue Account or other Eligible Funds.

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 Sinking Fund Redemption.** The Long Term Bonds maturing on August 1, 2039 are subject to mandatory redemption on the respective dates set forth in the schedule below, at the Redemption Price equal to the principal amount thereof, plus accrued interest to, but not including, the redemption date:

<b><u>Sinking Fund Payment Date</u></b>	<b><u>Amount</u></b>	<b><u>Sinking Fund Payment Date</u></b>	<b><u>Amount</u></b>
February 1, 2037	\$695,000	August 1, 2038	\$755,000
August 1, 2037	725,000	February 1, 2039	770,000
February 1, 2038	730,000	August 1, 2039**	795,000
			**Maturity Date

The Long Term Bonds maturing on February 1, 2044 are subject to mandatory redemption on the respective dates set forth in the schedule below, at the Redemption Price equal to the principal amount thereof, plus accrued interest to, but not including, the redemption date:

<b><u>Sinking Fund Payment Date</u></b>	<b><u>Amount</u></b>	<b><u>Sinking Fund Payment Date</u></b>	<b><u>Amount</u></b>
February 1, 2040	\$805,000	August 1, 2042	\$930,000
August 1, 2040	835,000	February 1, 2043	940,000
February 1, 2041	850,000	August 1, 2043	970,000
August 1, 2041	875,000	February 1, 2044**	78,455,000
February 1, 2042	895,000		**Maturity Date

**Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan.** The Long Term Bonds are subject to mandatory redemption in whole or in part one Business Day after the date on which any unscheduled MBS principal payment or prepayment is received by the Trustee, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest and premium, if any, received pursuant to the MBS. Any scheduled principal payments made pursuant to the Mortgage Loan Amortization Schedule shall be retained by the Trustee and used to make sinking fund payments as set forth in the Indenture.

The Mortgage Loan is subject to optional prepayment by the Borrower. Any yield maintenance or prepayment penalty in connection with prepayment of the Mortgage Loan that is received by the Trustee as holder of the MBS will be distributed to Bondholders, as applicable; however, no assurance can be given that all or any portion of such yield maintenance or prepayment penalty will be received by the Trustee as holder of the MBS.

**Selection of Long Term Bonds for Redemption.** If less than all of the Long Term Bonds are redeemed pursuant to the Indenture, the Long Term Bonds shall be redeemed in accordance with the respective schedules set forth in the Indenture. In the event the Long Term Bonds are redeemed in part and not in whole pursuant to the Indenture, the Bonds shall be redeemed on a pro rata basis across all maturities and the scheduled principal payments on the Long Term Bonds to remain outstanding and the mandatory redemption requirements for each maturity described in the Indenture shall be adjusted so that the resulting debt service on the Long Term Bonds (including scheduled mandatory redemption payments) during each six-month period commencing on each Payment Date is proportional, as nearly as practicable, to the payments on the MBS during each such six-month period, without exceeding the amount available from MBS payments, and other available funds under the Indenture that may be used to pay debt service on the Bonds, during each such six-month period. All Long Term Bonds to be redeemed within the same maturity shall be selected randomly by lot.

Except as otherwise described above, any Long Term Bonds to be called for redemption shall be selected by the Trustee on a pro rata basis, such selection to be made prior to the date on which notice of such redemption must be given and Long Term Bonds shall be redeemed as soon as practicable after an event causing a redemption shall have occurred. The Trustee shall have no liability for such selections made without gross negligence or willful misconduct.

If it is determined that less than all of the principal amount represented by any Long Term Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (a) payment on the redemption date to such Bondholder of the Redemption Price of the amount called for redemption and (b) delivery to such Bondholder of a new Bond or Bonds of such Series in an aggregate principal amount equal to the unredeemed balance of such Bond. A new Bond representing the unredeemed balance of such Bond shall be issued to the registered owner thereof, without charge therefor. If the registered owner of any Bond selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only).

#### **Optional Redemption of the Long Term Bonds**

Notwithstanding anything to the contrary in the Indenture, the Long Term Bonds are not subject to optional redemption, but are subject to redemption prior to maturity in connection with a prepayment of the Mortgage Loan, as set forth under the sub-heading “Mandatory Redemption from Optional or Involuntary Prepayment on the Mortgage Loan” and in the Indenture.

#### **Notice of Redemption of the Long Term Bonds**

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.

### **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 principal and interest payments received by the Trustee on the MBS as provided in the Indenture.

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 Convert or Failure to Purchase the MBS by the MBS Delivery Date Deadline” 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, rehabilitation 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 the MBS 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.**

### 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 30/360.

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 of the Short Term Bonds

The Short Term Bonds are not subject to optional redemption, in whole or in part.

### 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 partner 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 forty percent (40%) of the Project apartment units to certain qualified tenants whose income does not exceed sixty percent (60%) 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.

### **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 rehabilitation 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.

## **Payments on the Long Term Bonds Made From Payments Received on MBS**

As described elsewhere herein, following the MBS Delivery Date, principal and interest on the Long Term Bonds will be paid to registered owners thereof from principal and interest payments received by the Trustee pursuant to the MBS. 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. The Trustee shall aggregate the monthly payments on the MBS and will pay principal and interest on the Long Term Bonds on the Interest Payment Dates described herein.

## **MBS 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**

Certain external events, such as pandemics, natural disasters, severe weather, technological emergencies, riots, acts of war or terrorism or other circumstances, could potentially disrupt the Borrower or the Administration’s ability to conduct its business. A prolonged disruption could have an adverse effect on the Borrower’s or the Administration’s financial condition and operations.

### **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 or the underlying MBS 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.

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## **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, (a) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, except for 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, and (b) interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

The opinion described above assumes the accuracy of certain representations and compliance by the Administration and the Borrower with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Administration and the Borrower have covenanted to comply with such requirements.

In addition, in the opinion of Bond Counsel, under existing State of Maryland 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, foreign corporations operating branches in the United States of America, and certain corporations subject to the alternative minimum tax imposed on 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, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan 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.

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## **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**

An owner of a Bond may be subject to backup withholding at the applicable rate determined by statute with respect to interest paid with respect to the Bonds if such owner fails to provide to any person required to collect such information pursuant to Section 6049 of the Code with such owner’s taxpayer identification number, furnishes an incorrect taxpayer identification number, fails to report interest, dividends or other “reportable payments” (as defined in the Code) properly, or, under certain circumstances, fails to provide such persons with a certified statement, under penalty of perjury, that such owner is not subject to backup withholding.

## **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.

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

## **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 the approving opinions 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, Winthrop & Weinstine, P.A., Minneapolis, MN, and for the Underwriters by their counsel, Tiber Hudson LLC, Washington D.C.

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

### UNDERWRITING

Jefferies LLC (the “**Representative**”), as representative of itself and BofA Securities, J.P. Morgan, Morgan Stanley, RBC Capital Markets, Loop Capital Markets and Wells Fargo Bank, National Association (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 \$1,049,880.80 (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.

This paragraph has been supplied by BofA Securities, Inc.: BofA Securities, Inc., one of the Underwriters of the Bonds, has entered into a distribution agreement with its affiliate, Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National 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.

Wells Fargo Bank, National Association, acting through its Municipal Finance Group ("WFBNA"), 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 December 1, 2024 (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.

#### **RELATIONSHIP AMONG PARTIES**

In connection with the issuance of the Bonds, the Administration, the Borrower, and the Underwriters are being represented by the attorneys or law firms identified herein. In other transactions not related to the Bonds, each of these attorneys or law firms may have acted as bond counsel or represented the Administration, the Underwriters, the Borrower, or their affiliates, in capacities different from those described herein, and there will be no limitations imposed as a result of the issuance of the Bonds on the ability of any of those attorneys or firms to act as bond counsel or represent any of these parties in any future transactions, except as limited or prohibited by applicable law, regulations, policies, ethical rules or other similar law now or hereafter in effect. Potential purchasers of the Bonds should not assume that the Administration, the Underwriters, the Borrower, or their respective counsel or Bond Counsel have not previously engaged in, or will not after the issuance of the Bonds engage in, other transactions with each other or with affiliates of any of them, and no assurance can be given that there are or will be no past or future relationships or transactions between or among any of these parties or these attorneys or law firms, except as limited or prohibited by applicable law, regulations, policies, ethical rules or other similar law now or hereafter in effect.

#### **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.

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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: /s/Gregory V. Hare  
Gregory V. Hare, Director

[Signatures Continue on Following Page]

[Borrower's Signature Page to Official Statement]

**FAIRFIELD MARLEY STATION LP,**  
a Delaware limited partnership

By: FRH Marley Station LLC,  
a Delaware limited liability company,  
its General Partner

By: FRH GP LLC,  
a Delaware limited liability company,  
its Non-Member Manager

By: /s/Jenna Woods  
Name: Jenna Woods  
Title: Senior Vice President & Corporate Secretary

APPENDIX A

FANNIE MAE MORTGAGE-BACKED SECURITIES PROGRAM

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 Yield Maintenance) 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 CUSIP 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/23966/display. The template for the Fannie Mae MBS Prospectus may change from time to time. The Fannie Mae MBS Prospectus, if and when available, will consist of the template for the Fannie Mae MBS Prospectus applicable at the time of the issuance of the MBS 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.

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 September 1st, the distribution date is October 25th or, if October 25th is not a Business Day, the first Business Day following October 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 certificateholders 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/23966/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 Long Term 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 certificateholders 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 September, it would be treated as if it had been received on the last Business Day of August and, therefore, would be passed through on September 25th (or the next Business Day, if September 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 Pool 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://mfdusdisclose.fanniemae.com/#/home>.

Guaranty ..... 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:

- the aggregate amounts of scheduled and unscheduled principal payments described in “—Principal” above, and
- an amount equal to one month's interest on the MBS, as described in “—Interest” above.

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.

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 “**FANNIE MAE—Certificateholders' Rights Under the Senior Preferred Stock Purchase Agreement**” in the Fannie Mae MBS Prospectus.

Prepayments ..... A borrower may voluntarily prepay the loan in full. 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 “**YIELD, MATURITY AND PREPAYMENT CONSIDERATIONS—Maturity and Prepayment Considerations—Prepayment of a Mortgage Loan**” in the Fannie Mae MBS Prospectus. **Fannie Mae does not guarantee to any trust the payment of any prepayment premiums.**

Master Servicing/Servicing ..... 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 “**THE TRUST DOCUMENTS—Collections and Other Servicing Practices**” and “**FANNIE MAE PURCHASE PROGRAM—Servicing Arrangements**” in the Fannie Mae MBS Prospectus.

Business Day ..... 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.

Trust Documents ..... 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. The current form of the trust agreement, as of the date hereof, may be found on Fannie Mae's website: <http://www.fanniemae.com>.

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.... Each mortgage loan in the pool is a fixed-rate loan included in one of the following categories:

- Fixed-rate loans with monthly payments of interest only during their entire loan terms, with a balloon payment of all outstanding principal at maturity;
- 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;
- 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;
- Fixed-rate loans with monthly payments of interest and principal during their entire loan terms, with a balloon payment of all outstanding principal at maturity; and
- Fixed-rate loans with monthly payments of interest and principal that fully amortize over their loan terms.

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 or is reviewed by Fannie Mae before delivery to determine its suitability. Fannie Mae may modify its standards or permit waivers on specific transactions from time to time.

Types of Property ..... Each mortgage loan in the pool is secured by a lien on one or more of the following types of property:

- Multifamily residential properties;
- Cooperative housing projects;
- Dedicated student housing;
- Manufactured housing communities;
- Military housing; or
- Seniors housing

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.

- 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.
- 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 resecuritization of the mortgage loans. Certificates backed by mortgage loans with respect to which a REMIC election is made may be resecuritized 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.
- 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**”). Nevertheless, fiduciaries of such plan investors should consult with counsel regarding the applicability of the provisions of ERISA and Section 4975 of the Code before purchasing the certificates.

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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 is subject to affordable housing regulatory requirements that impose income and rent restrictions on tenants of the mortgaged property. In addition, the mortgaged property has received an allocation of low-income housing tax credits and the property owner has elected the occupancy option under the Consolidated Appropriations Act of 2018 referred to as “income averaging.” Borrower has covenanted to meet all requirements necessary to cause issuance and completion of IRS Form(s) 8609 for the mortgaged property in a timely fashion and in compliance with Section 42(1) of the Internal Revenue Code. Failure to comply with these covenants is an event of default under the loan agreement, and the borrower is liable to the lender for repayment of a portion of the mortgage loan equal to any loss or damage suffered by the lender. 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 allocation 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” in the Fannie Mae MBS Prospectus for additional information.

The mortgaged property is expected to benefit from a payment in lieu of taxes (“PILOT”) agreement (the “PILOT Agreement”) pursuant to Section 7-506.1 of the Tax Property Article of the Annotated Code of Maryland (“MC § 7-506.1”), which exempts the mortgaged property from all ordinary Anne Arundel County (the “County”) real property taxes during the term of the mortgage loan. Pursuant to MC § 7-506.1 a real property owner, such as borrower, qualifies for this tax exemption if (i) the property is owned by a person or entity engaged in constructing or operating housing structures or projects, (ii) the property is used for a housing structure or project that is constructed or substantially rehabilitated under a federal, state or local government program that (a) funds construction or insures its financing in whole or in part, or provides interest subsidy, rent subsidy or rent supplements, (iii) the property owner and the governing body of the county enter into an agreement for the payment of a negotiated sum in lieu of applicable county property tax, and (iv) the property owner (a) agrees to continue to maintain the property as rental housing for lower income persons under the requirements of the government programs describe in (ii) above and agrees to renew any annual contributions contracts or other agreement for rental subsidy or supplement, or (b) enters into an agreement with the governing body of the county to allow the entire property (or a portion of the property) that was maintained for lower income persons to remain as housing for lower income persons for a term of at least five (5) years. Pursuant to the terms of the PILOT Agreement, borrower’s annual PILOT for the County’s fiscal year 2025 (July 1, 2024 through June 30, 2025) is \$50,000. For the County’s fiscal year 2026 through fiscal year 2062, the annual PILOT is equal to the previous year’s fiscal payments plus an annual adjustment factor of 4% per annum. Beginning July 1, 2025 and every five (5) years thereafter the borrower is required to submit to the County a complete audited financial report and a projection of income and expenses for the coming five (5) years. If the County determines that the mortgaged property has net cash from operations after payment of all expenses (including all payments required by the mortgage loan documents), then the County may modify the PILOT Agreement to require the borrower to apply such surplus net cash toward the difference between the PILOT and the taxes which would otherwise be payable if the mortgaged property had not been exempt from the County’s real property taxes. Any (a) termination, substantial reduction, or material modification of the tax abatement that would become effective prior to the date that is five (5) years after the mortgage loan maturity date (an “adverse tax abatement event”), (b) failure to take such actions as may be required to maintain the tax exemption or failure to comply or cause full compliance with the tax exemption program requirements, or (c) transfer of the mortgaged property or an interest in the mortgaged property or the borrower that would cause an adverse tax abatement event is an event of default under the loan agreement. In addition, the borrower is liable to the lender for repayment of a portion of the mortgage loan equal to any loss or damage suffered by the

lender in connection with a tax exemption related event of default that results in an adverse tax abatement event. 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.

The MBS certificates will serve as collateral for a tax-exempt issue of multifamily housing bonds (the “Long Term Bonds”) issued by the Issuer, pursuant to and secured by a Trust Indenture by and between the Issuer and Wilmington Trust, National Association, as trustee. The mortgage loan documents provide that the mortgage loan is cross-defaulted with certain agreements relating to the Long Term Bonds entered into at the time of the issuance of the Long Term Bonds, including but not limited to the indenture authorizing the Long Term Bonds and any housing regulatory agreements that limit rents, impose income restrictions or otherwise restrict the use of the property.

*As disclosed on the Term Sheet attached as APPENDIX H to the Official Statement, when originated, the mortgage loan amount may exceed the mortgage loan amount backing the MBS certificate for this pool by an amount not to exceed an additional 10% or \$9,881,000. If the originated mortgage loan amount is greater than the mortgage loan amount backed by the MBS certificate for this pool, the following paragraph will be added to the Fannie Mae MBS Prospectus:*

The mortgage loan is a bifurcated mortgage loan, divided between two separate mortgage notes: the mortgage note for \$98,810,000 that is held in this pool, and the mortgage note for \$ \_\_\_\_\_ that is held in another pool for its applicable MBS certificate. The total debt secured by the mortgaged property is \$ \_\_\_\_\_. Both mortgage notes are documented under the same mortgage loan documents, including the same loan agreement, are equal in priority of payment and are secured by one consolidated security instrument, but may have different terms. Information about the other mortgage note may be found in Annex A and in the disclosure documents for the MBS certificate backing the other mortgage note. **The other mortgage note is not part of this pool and does not back the certificate being offered hereunder.**

Because the mortgage note for this pool and the mortgage note for the other pool are secured by the same mortgaged property and documented under the same mortgage loan documents, including the same loan agreement and security instrument, the mortgage note for this pool and the mortgage note for the other pool are effectively cross defaulted with each other. If an event of default occurs and is continuing under the loan documents, Fannie Mae may declare the defaulted mortgage loan evidenced by the mortgage note for this pool and the mortgage note for the other pool immediately due and payable.

Because the mortgage loan documents provide that the mortgage loan is cross-defaulted with certain of the agreements relating to the Long Term 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 certificates will be passed through to the holder of the MBS certificates. In this case, no yield maintenance or other prepayment premiums will be payable to the holder of the MBS certificates.

The borrower may obtain a supplemental loan secured by a lien on the mortgaged property. Any such supplemental loan is expected to be subordinate to the mortgage loan. Generally, however, the supplemental loan will be cross-defaulted with the mortgage loan. As a result, an event of default on the supplemental loan may cause an event of default on the mortgage loan, which may result in acceleration of the mortgage loan. See “THE MORTGAGE LOANS—General Characteristics of the Mortgage Loans—Existing and Future Supplemental Mortgage Loans—Future Supplemental Mortgage Loans” and “Cross Default; Existing Mortgage Loans; Future Supplemental Mortgage Loans” in the Fannie Mae MBS Prospectus for additional information.

In addition to the matters described above, the eligible multifamily lender originating the mortgage loan may request the disclosure of additional matters relating to each mortgage loan or, upon delivery of the mortgage loan 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.*

“30/360” means a computation of interest accrual on the basis of a three hundred sixty (360) day year under the assumption that all months, regardless of length, consist of exactly 30 calendar days.

“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 with respect to the 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 or Assistant Vice President 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 the Closing Date.

“Bond Maturity Date” means the applicable maturity date as set forth on the inside front cover of this Official Statement.

“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.

“Bridge Lender” means PNC Bank, National Association, a national banking association, and its successors and assigns, in its capacity as maker of the Bridge Loan.

“Bridge Loan” means the PNC Bridge Loan, as defined in the Indenture.

“Bridge Note” means the PNC Bridge Note, as defined in the Indenture.

“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 cashflow 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 Investments as provided in the Indenture, and (2) if requested by the Trustee, the Cash Value as set forth in the Indenture.

“Closing Date” means December 19, 2024.

“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 PNC Bank, National Association, in its capacity as maker of the Construction Loan.

“Construction Loan” means, individually or collectively as context may dictate, the PNC Construction Loan and the PNC Bridge Loan, as such terms are defined in the Indenture.

“Construction Loan Documents” means the documents executed and delivered in connection with the Construction Loan, including, without limitation, the PNC Construction Loan Documents and the PNC Bridge Loan Documents, as such terms are defined in the Indenture.

“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, the Construction Loan or Sponsor 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 consists 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 extension of the MBS Delivery Date which will be determined by a Cash Flow Projection.

“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 pass-through 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 November 20, 2024, 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 December 1, 2024, 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 Payment Date” means August 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 D-1 Interest Deposit Subaccount of the Long Term Bond Revenue Account.

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

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

“Long Term Loan” means the loan financed by Administration for the Borrower with proceeds from the Long Term Bonds as set forth in 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 the 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 January 25, 2029, 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 the Conversion Date, together with all riders and exhibits, securing the Mortgage Loan, executed by the Borrower in favor of the Permanent Lender, as the same may be amended from time to time.

“Mortgage Loan” means the interest-bearing loan from the Permanent Lender 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 by the Permanent Lender to the Trustee on the Closing Date, as the same may be replaced by an amended mortgage loan amortization schedule delivered pursuant to the Financing Agreement.

“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 a basis of 360-day year consisting of twelve 30-day months, 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 anniversary thereof 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 rate related to the MBS for the Project set forth in the Term Sheet set forth in APPENDIX H hereto.

“Payment Date” means (i) February 1 and August 1 of each year, commencing on the Initial Payment Date and (ii) the Bond Maturity Date or any earlier date of redemption or acceleration of the Bonds.

“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 December 1, 2024, 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, which assigns credit ratings.

“Sponsor Loan” means the sponsor loan made from the General Partner, in its capacity as sponsor lender, to the Borrower, which will be evidenced by a Subordinate Promissory Note dated the Closing Date from the Borrower to the General Partner.

“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 D-2 Interest Deposit Subaccount of the Short Term Bond Revenue Account.

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

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

“Short Term Loan” means the loan made from the Administration to the Borrower with proceeds from the Short Term Bonds in the original principal amount set forth in 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, July 1, 2028, and (ii) if the Borrower exercises its first extension option, January 1, 2029, 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 the Long Term Bonds**

The Long Term 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 (except for redemptions described under the headings "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Redemption Prior to MBS Delivery Date," "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Sinking Fund Redemption," and "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan," above), the Trustee, in accordance with the provisions of the Indenture, will give at least twenty (20) calendar days' notice 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 Convert or Failure to Purchase the MBS by the MBS Delivery Date Deadline," 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 as described under the heading "Extension of MBS Delivery Date Deadline" below. 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 shall be required with respect to redemptions described under the headings "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Redemption Prior to MBS Delivery Date," "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Sinking Fund Redemption," and "DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan," above.

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 twenty-five (25) calendar days prior to the MBS Delivery Date Deadline (as such date may be extended under the Indenture), the Trustee will provide 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 headings “DESCRIPTION OF THE LONG TERM BONDS – Mandatory Redemption of Long Term Bonds” and “DESCRIPTION OF THE SHORT TERM BONDS – Optional Redemption of Short Term 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 described under such heading), 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, and except in the case of a redemption as described under the headings “DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Redemption Prior to MBS Delivery Date,” “DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Sinking Fund Redemption,” or “DESCRIPTION OF THE LONG TERM BONDS — Mandatory Redemption of Long Term Bonds — Mandatory Redemption Following Unscheduled Prepayment of the Mortgage Loan,” 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 Administration, the Trustee and the Rating Agency a Cash Flow Projection establishing the sufficiency of the Extension Deposit, (iv) delivering to the Trustee confirmation by the Rating Agency of the then-current rating on the Bonds, and (v) delivering 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 excludability 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). 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 of the Long Term Bonds as described under “DESCRIPTION OF THE LONG TERM BONDS – Mandatory Redemption of the Long Term Bonds – Mandatory Redemption upon Failure to Convert or Failure to Purchase the MBS by the MBS Delivery Date Deadline” or “DESCRIPTION OF THE LONG TERM BONDS – Mandatory Redemption of the Long Term Bonds – Partial Mandatory Redemption on the MBS Delivery Date” above.

## **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 has a final maturity date which is the same as the maturity date of the MBS as identified in APPENDIX C hereto;

(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 (as set forth in the Indenture).

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

(a) On each Payment Date, Trustee shall disburse (i) from the Long Term Bond Revenue Account (including to the extent necessary for such purposes, 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 and (ii) from the Short Term Bond Revenue Account (including to the extent necessary for such purposes, from the Short Term Bond Interest Deposit Subaccount therein) an amount equal to the amount of principal and interest due on the Short Term Bonds. Prior to and on the Conversion Date, the Trustee shall disburse amounts on deposit in the Long Term Bond Revenue Account (including to the extent necessary for such purposes, from the Long Term Bond Interest Deposit Subaccount therein) to pay principal and interest due on the Series Short Term Bonds, provided that (i) the Trustee has paid principal and interest on the Long Term Bonds on such Payment Date and (ii) the most recent Cash Flow Projection provided to the Trustee indicates that such disbursement will not cause the Long Term Bond Revenue Account (including the Long Term Bond Interest Deposit Subaccount therein) to have insufficient funds to pay, principal and interest when due on the Long Term Bonds. Prior to and on the Conversion Date, the Trustee shall disburse amounts on deposit in the Short Term Bond Revenue Account (including to the extent necessary for such purposes, from the Short Term Bond Interest Deposit Subaccount therein) to pay principal and interest due on the Long Term Bonds, provided that (i) the Trustee has paid principal and interest on the Short Term Bonds on such Payment Date and (ii) the most recent Cash Flow Projection provided to the Trustee indicates that such transfer will not cause the Short Term Bond Revenue Account (including the Short Term Bond Interest Deposit Subaccount therein) to have insufficient funds to pay, principal and interest when 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 from the first calendar day of the month in which the MBS was delivered to, but not including, the MBS Delivery Date.

(f) On each Payment Date following the MBS Delivery Date, the Trustee will pay to the Long Term Bond owners, from the Long Term Bond Revenue Account, the amount listed in the applicable maturity, sinking fund, and interest payment schedule set forth in the Indenture. 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.

(g) 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.

(h) 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 or as otherwise permitted under the Tax Certificate. 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 (or as otherwise permitted under the Tax Certificate) 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 under the Indenture, 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 disbursement of 100% of the proceeds of the Long Term Bonds, the remaining balance, if any, on deposit in the Long Term Bond Proceeds Account shall be credited to the Long Term Bond Revenue Account. On the MBS Delivery Date, to the extent funds remain in the Long Term Bond Proceeds Account, the Trustee may use such funds to pay principal or accrued interest on the MBS. Following the MBS Delivery Date, amounts remaining in the Long Term Bond Proceeds Account shall be disbursed by the Trustee at the direction of the Administration as requested by the Borrower and approved by the Lender 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 or as otherwise permitted under the Tax Certificate. 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 (or as otherwise permitted under the Tax Certificate) 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 under the Indenture, 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 disbursement of 100% of the proceeds of the Short Term Bonds, the remaining balance, if any, on deposit in the Short Term Bond Proceeds Account shall be credited to the Short Term Revenue Account. 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 invested in the Trustee's money market deposit account (more particularly described in the Indenture).

All investment earnings from amounts on deposit in, the Long Term Bond Revenue Account, the Long Term Bond Interest Deposit Subaccount, and the Long Term Bond Collateral Account be retained in each such Account or Subaccount until disbursed in accordance with the Indenture. Prior to the disbursement of 100% of the proceeds of the Long Term Bonds, all investment earnings from amounts on deposit in the Long Term Bond Proceeds Account shall be retained in such Account. Following the disbursement of 100% of the proceeds of the Long Term Bonds, all investment earnings from amounts on deposit in the Long Term Bond Proceeds Account shall 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, the Short Term Bond Interest Deposit Subaccount, and the Short Term bond Collateral Account shall be credited to the Short Term Bond Revenue Account. 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) prior to the MBS Delivery Date, the occurrence of an Event of Default under item (b) under the heading “Defaults and Remedies — Events of Default,” above, with respect to the Long Term Bonds, 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 Long Term Bonds then Outstanding, shall, by notice in writing delivered to the Administration, declare the principal of all Long Term Bonds then 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, shall not give rise to an acceleration pursuant to item (a) above, provided, however, that following such an Event of Default, the holder of one hundred percent (100%) of the Long Term Bonds Outstanding may direct the Trustee in writing to transfer the MBS to it or its designee, in which case, the Trustee shall transfer and deliver to such requesting Beneficial Owner the Trustee’s beneficial ownership interest in the MBS. The transfer described in this section shall take effect as set forth in, and shall be governed by, the following terms:

The Trustee shall transfer and deliver to such requesting owner the Trustee’s beneficial ownership interest in the MBS promptly following (i) delivery to the Trustee (via DTC withdrawal or of the Long Term Bonds being exchanged, and (ii) payment by the requesting owner of the Trustee’s exchange fee (\$1,000) with respect to such Bonds;

The MBS will be in book-entry form;

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;

Upon receipt of such Bonds from the requesting Beneficial Owner, the Trustee will promptly cancel such Bonds being exchanged, which will not be reissued;

An MBS delivered in such an exchange will not be exchangeable for Bonds;

The MBS delivered in such an exchange will also be subject to any applicable disclosure requirements concerning MBSs 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

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

(c) Upon the occurrence of an Event of Default under item (b) under the heading "Defaults and Remedies — Events of Default," above, with respect to the Short Term Bonds, 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 Short Term Bonds then Outstanding, shall, by notice in writing delivered to the Administration, declare the principal of all Short Term Bonds then Outstanding, premium, if any, and the interest accrued thereon immediately due and payable. Upon the occurrence of an Event of Default under item (c) under the heading "Defaults and Remedies — Events of Default," above, with respect to the Short Term Bonds, the Trustee may, and upon the written request of the holders of not less than one hundred percent (100%) in aggregate principal amount of the Short Term Bonds then Outstanding, shall, by notice in writing delivered to the Administration, declare the principal of all Short Term Bonds then Outstanding, premium, if any, and the interest accrued thereon immediately due and payable.

(d) 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 shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, the Administration, the Borrower, the Tax Credit Investor or Fannie Mae, as applicable, shall 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 shall have been made good or cured or adequate provisions shall 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 then Outstanding, then and in every case, the Trustee on behalf of the holders of all the Bonds shall rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent Event of Default, nor shall 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 (after consultation with counsel) 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 shall have occurred, and if requested by the holders of not less than 75% (or 100% as set forth under item (b) or (c) under the heading “Defaults and Remedies — Acceleration; Rescission of Acceleration,” above) in aggregate principal amount of the Long Term Bonds or the Short Term Bonds then Outstanding, as applicable, and upon being indemnified to its satisfaction, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem to be in the best interests of the Bondholders subject to the limitations set forth above and in this 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.

For avoidance of doubt, no Event of Default with respect to the Long Term Bonds shall, by itself, constitute an Event of Default with respect to the Short Term Bonds, and vice versa.

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 (or as otherwise permitted under the Tax Certificate) 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 (or as otherwise permitted under the Tax Certificate) 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 (or as otherwise permitted under the Tax Certificate). Amounts deposited into the Short Term Bond Proceeds Account, the Short 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 shall provide written notice to the Trustee and the Administration of its intent to prepay, in whole or in part, amounts due under 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. Such notice shall be provided not more than 60 calendar days and not less than 30 calendar days prior to the planned prepayment date. If a prepayment of the Mortgage Note results in revisions to the Mortgage Loan Amortization Schedule, the Lender shall 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 or the Short Term Loan prior to the Conversion Date, without the prior written consent of the Administration and the Tax Credit Investor. Notwithstanding anything to the contrary contained in the Construction Loan Documents or the Financing Documents, the Borrower may not prepay the Mortgage Note without the consent of the Administration.

#### **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, provided however, that any enforcement under (ii) or (iii) above shall not include seeking monetary damages, other than subject to the terms of the Financing Agreement, the Administration Fees and Expenses and the Trustee Fees and Expenses.

#### **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 shall not convert the property to condominium ownership.

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 40% 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 effect 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 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 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

**\$98,810,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-1**  
**(Fannie Mae MBS-Secured)**

**\$79,190,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-2**  
**(Cash-Collateralized)**

This Continuing Disclosure Agreement, dated as of December 1, 2024 (this “**Continuing Disclosure Agreement**”), is executed and delivered by Fairfield Marley Station LP, a Delaware 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 December 1, 2024 (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 December 1, 2024, 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 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, 2024, 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:*

Fairfield Marley Station LP  
c/o Fairfield Residential  
5355 Mira Sorrento Place, Suite 100  
San Diego, California 92121  
Attention: Jenna Woods  
Email: jwoods@ffres.com & sloy@ffres.com

*If to the Dissemination Agent:*

Wilmington Trust, National Association  
Global Capital Markets  
1100 North Market Street  
Wilmington, DE 19890  
Attention: Matthew Ford  
Email: mford1@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.

FAIRFIELD MARLEY STATION LP,  
a Delaware limited partnership

By: FRH Marley Station LLC,  
a Delaware limited liability company,  
its General Partner

By: FRH GP LLC,  
a Delaware limited liability company,  
its Non-Member Manager

By: \_\_\_\_\_  
Name: Jenna Woods  
Title: Senior Vice President & Corporate Secretary

[Signatures continue on following page]

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

WILMINGTON TRUST, NATIONAL ASSOCIATION,  
as Dissemination Agent

By: \_\_\_\_\_ (SEAL)  
Matthew Ford  
Assistant Vice President

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

**\$98,810,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-1**  
**(Fannie Mae MBS-Secured)**

**\$79,190,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-2**  
**(Cash-Collateralized)**

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

**THE PROJECT**

Name of the Project:	Villages at Marley Station
Address:	7805 Bruton Drive, Glen Burnie, Maryland 21060
Number of Units:	757

**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, 202<sup>1</sup></b>	
Revenues	
Operating Expenses <sup>2</sup>	
Net Operating Income	
Debt Service on the Bonds	
Net Income (Loss)	
Debt Service Coverage Ratio	

<sup>1</sup> Certain data may not be available or may be negligible prior to the Conversion Date.

<sup>2</sup> Excludes depreciation and other non-cash expenses.

<b>Occupancy Results for Fiscal Year Ending December 31, 202<sup>1</sup></b>	
Physical Occupancy <sup>2</sup>	%
Economic Occupancy	%

<sup>1</sup> Certain data may not be available or may be negligible prior to the Conversion Date.

<sup>2</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) (Villages at Marley Station), Series 2024 D-1 (Fannie Mae MBS-Secured); Multifamily Development Revenue Bonds (Sustainability Bonds) (Villages at Marley Station), Series 2024 D-2 (Cash Collateralized)  
Name of Borrower: Fairfield Marley Station LP  
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:

WILMINGTON TRUST, NATIONAL ASSOCIATION  
as Dissemination Agent

\_\_\_\_\_  
Authorized Signatory

cc: Borrower

## APPENDIX H

THE FOLLOWING INFORMATION IN THIS APPENDIX H, INCLUDING BUT NOT LIMITED TO THAT INFORMATION CONCERNING THE PROJECT, THE BORROWER AND THE RELATED PRIVATE PARTICIPANTS, HAS BEEN PROVIDED BY REPRESENTATIVES OF THE PRIVATE PARTICIPANTS AND 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 PRIVATE PARTICIPANTS, THE PROJECT AND THE TERM SHEET

#### The Private Participants

##### The Borrower

The Borrower is Fairfield Marley Station LP, a Delaware limited partnership. The Borrower is a single-purpose entity formed to acquire, rehabilitate and operate the Project. The Borrower's general partner is FRH Marley Station LLC, a Delaware limited liability company (the "**General Partner**"), and the owner of the membership interests in the General Partner will be Fairfield Affordable Housing Fund Tranche XI LLC (the "**Developer**").

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 the Project.

##### The Developer

The Developer is highly experienced in all facets of affordable housing, including the rehabilitation of affordable housing projects. The Developer's experience lies with Fairfield Residential Company LLC and Fairfield Residential Holdings LLC (collectively, "Fairfield"). Fairfield's predecessor was established in 1985. Fairfield is a national multifamily housing real estate company. Fairfield's affordable housing fund includes the development of low-income housing tax credit projects and senior affordable projects.

##### Tax Credit Investor

Simultaneously with the issuance of the Bonds, the Borrower and the General Partner expect to admit PNC Bank, National Association, as limited partner (the "**Tax Credit Investor**") of the Borrower with a 99.98% ownership interest therein and Columbia Housing SLP Corporation, an Oregon corporation, as special limited partner of the Borrower with a .01% 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 – Villages at Marley Station – 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 herein, and no representation is made as to the availability of such funds.

##### Limited Assets and Obligation of the Borrower, General Partner, 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 or management of the Project. However, the General Partner, 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, members 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 partners 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 partners are included in this Official Statement.

**The Architect**

The Architect is Studio K Architecture, LLC (the “**Architect**”). The Architect is not an affiliate of the Developer. The Architect is a Maryland architectural design firm organized in 2011 to focus on sustainable and efficient multifamily housing. Their project history includes affordable and market rate products with funding from CDA, HUD and private institutions. Over the past 10 years the Architect has completed approximately 24 projects in the Maryland/Washington D.C. area. The Architect specializes in universal design features, and sustainable building techniques for all projects.

**The General Contractor**

The general contractor for the project is Fairfield Development L.P. (the “**General Contractor**”). The General Contractor is an affiliate of the Developer. The General Contractor and its affiliated construction companies have been constructing and rehabilitating multifamily rental housing developments for over 37 years and have constructed over 390 projects, with nearly 122,800 units.

**The Property Manager**

FF Properties L.P., a Delaware limited partnership (the “**Property Manager**”), currently manages, and will continue to manage the Project following issuance of the Bonds. The Property Manager is an affiliate of the Developer. The Property Manager has been involved in the management of apartment complexes since 1997. The Property Manager currently manages approximately 164 apartment complexes comprising a total of approximately 42,700 units throughout the United States.

**The Project**

The Project will be located in Glen Burnie, Anne Arundel County, Maryland, on an approximately 32.41 acre site. The Project will contain 757 units located in 26 low-rise buildings. Rehabilitation of the Project is anticipated to commence in December 2024 and be completed approximately 36 months later. Following the rehabilitation, the unit mix of the Project is expected to be as follows:

<u>Unit Type</u>	<u>Number</u>	<u>Approximate Square Feet</u>
Studio	36	351
1x1	428	570
2x1	281	868
3x1	12	1,024
<b>Total:</b>	<b>757</b>	

[Remainder of page intentionally left blank]



## Plan of Financing

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

<b><u>Sources of Funds</u></b>	<b><u>Amount</u></b>
Bonds	\$98,810,000
RHW Funds	5,000,000
MEEHA Energy Grant	7,360,154
Sponsor Loan	34,920,831
Bridge Period Net Operating Income	6,891,301
Cash Flow During Construction	15,587,690
Deferred Developer Fee	21,102,689
GP Loan Accrued Interest	7,414,724
Investment Income	25,365,000
Tax Credit Equity <sup>1</sup>	119,877,447
Short Term Bonds	79,190,000
<b>Total Sources of Funds</b>	<b>\$421,519,836</b>

  

<b><u>Uses of Funds</u></b>	<b><u>Amount</u></b>
Acquisition	\$169,261,050
Construction	58,771,503
Hard Cost Contingency	5,877,150
Developer Fee	21,102,689
Soft & Financing Costs	10,059,005
Tax Credit & Syndication Costs	26,731,706
Reserves	2,771,625
Construction Period Capitalized Interest	47,755,108
Retire Short Term Bonds	79,190,000
<b>Total Uses of Funds</b>	<b>\$421,519,836</b>

<sup>1</sup>*A portion of the Tax Credit Equity is expected to be initially funded using the Bridge Loan described below, which will be repaid with capital contributions from the Tax Credit Investor pursuant to the amended and restated agreement of limited partnership of the Borrower.*

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 costs associated with the acquisition, development and construction of the Project.

*The Construction Loan, the Mortgage Loan, and the Bonds.* At closing, the Project will utilize the Construction Loan in the approximate principal amount of \$98,810,000, which is from the Construction Lender, in its capacity as administrative agent for the lenders ("Co-Lenders") named in that certain Construction Loan Agreement dated as of the December 18, 2024. The obligation to repay the Construction Loan will be set forth in the Construction Notes from the Borrower to the Co- Lenders. The Construction Notes will be secured by a senior mortgage against the Project. The Construction Notes will have a term of 42 months plus one 6-month extension, subject to the approval of the Co-Lenders, and will bear interest at a variable rate based on Daily Simple SOFR (as defined in the Construction

Loan Agreement) + 3.35% per annum, 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 \$98,810,000 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. 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.

*Bridge Loan.* At closing, the Project will utilize a Bridge Loan (as defined hereinafter), which is from the PNC Bank, National Association, (in its capacity as maker of the Bridge Loan, the “Bridge Lender”) in the approximate principal amount of \$93,130,335 (the “Bridge Loan”). The obligation to repay the Bridge Loan will be set forth in that certain Bridge Loan Promissory Note by Borrower and in favor of Bridge Lender (the “Bridge Note”) from the Borrower to the Bridge Lender. The Bridge Note will be secured by an assignment of the Tax Credit Investor’s capital contributions and an assignment and pledge of the general partner’s interest in the Borrower. The Bridge Note will have a term of 60 months, and will bear interest at a variable rate equal to Daily SOFR (as defined in the Bridge Note) plus 3.00% per annum, with monthly payments of interest only, and principal and interest not otherwise paid due at maturity. The Bridge Loan is anticipated to be repaid from Tax Credit Equity contributions.

*Sponsor Loan.* Simultaneously with the issuance of the Bonds, the General Partner will make a loan (the “Sponsor Loan”) in a principal amount of up to \$57,200,000, approximately \$30,400,000 of which is expected to be funded to the Borrower at closing and remain in the Project permanently (subject to repayment from available cash flows). The Sponsor Loan will be unsecured and recourse to the Borrower and will be evidenced by a Subordinate Promissory Note. The Subordinate Promissory Note will mature on December 31, 2069 and will bear interest at a rate of 7.00% per annum compounding with principal and interest repayable from available cash generated by the Project.

*MEEHA-EmPOWER Loan.* The Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development will make a grant in the amount of \$7,360,154 to Developer payable to provide Developer with funds for energy efficiency improvements for the Project during the course of the rehabilitation. Developer in turn will lend such funds to the Borrower (the “MEEHA-EmPOWER Loan”). The MEEHA-EmPOWER Loan will be secured by a mortgage against the Project and evidenced by a MEEHA-EmPOWER Loan Subordinate Promissory Note. The MEEHA-EmPOWER Loan Subordinate Promissory Note will mature on December 31, 2069 and will bear interest at a rate of 7.00% per annum compounding with principal and interest repayable from available cash generated by the Project.

*RHW Loan.* The Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development will make a construction/permanent loan in the amount of \$5,000,000 to Borrower payable during the course of the rehabilitation. The RHW Loan will be secured by a mortgage against the Project and evidenced by a RHW Loan Note. The RHW Loan Note will mature on or about December 31, 2068 and will bear interest at a rate of 0% during the construction loan period and 2.00% per annum during the permanent loan period with principal and interest payable beginning on the first day of January, 2029, payments of principal and interest shall be due and payable in consecutive monthly installments in an amount equal to Fifteen Thousand One Hundred Forty One and 25/100 Dollars (\$15,141.25).

*The Tax Credit Equity.* Simultaneously with the issuance of the Bonds, the Borrower and the General Partner expect to offer the Tax Credit Investor a 99.98% ownership interest in the Borrower. Pursuant to the admission of the Tax Credit Investor, the funding of the Tax Credit Equity will total approximately \$120,434,864.32 with an initial contribution of approximately \$18,000,000, 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.

*Deferred Developer Fee.* the Project will also utilize deferred developer fee in the amount of \$21,856,940.94 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 100% (and in no event less than 40%) of the residential units (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 herein), 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 100% of the residential units in the Project (based on square footage) (the “**Tax Credit Units**”). 753 units of the Tax Credit Units shall be held available for rental to persons whose adjusted family income do not exceed an average of 60% of the AMI adjusted for family size.

### **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:

[Remainder of page intentionally left blank]

**The Project – Sustainability Standards**

Project Name	Location (City, County, Zip Code)	Physical Structure	Units	Expected Unit Set-Aside Breakdown at or Below <sup>1</sup>									LIHTC Award	Expected Green Building Standards and Features	
				25% AMI	30% AMI	50% AMI	60% AMI	80% AMI	90% AMI	100% AMI	110% AMI	Un-restricted			
Villages at Marley Station	7805 Bruton Dr., Glen Burnie, MD 21060 (alternate address: 7807 Winborne Dr., Glen Burnie, MD 21060)	26 low-rise buildings	757 total; 753 tax credit units (4 units will be employee units)			227	189	189					152	Yes	Bathroom, Living Room, Corridor and Kitchen lighting replacement with ILED lights, installation of attic insulation, in unit air sealing, attic air sealing, sliding glass door replacement with Energy Star doors, patio door replacement, front entry door replacement, window replacement with Energy Star windows, condensing unit replacement, furnace replacement, smart thermostat replacement, bathroom exhaust fan replacement with Energy Star fans, refrigerator replacement with Energy Star refrigerators, and kitchen and bathroom aerator fan replacement.

<sup>1</sup> After December 31, 2026, the Project shall be encumbered in accordance with the terms of that certain tax credit restrictive covenant dated as of December 1, 2024.

## 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.*

<p><b>\$98,810,000</b></p> <p><b>Community Development Administration</b></p> <p><b>Maryland Department of Housing and Community Development</b></p> <p><b>Multifamily Development Revenue Bonds</b></p> <p><b>(Sustainability Bonds)<sup>†</sup></b></p> <p><b>(Villages at Marley Station)</b></p> <p><b>Series 2024 D-1 (Fannie Mae MBS-Secured)</b></p> <p><b>Closing Date: December 19, 2024</b></p> <p><b>Fannie Mae Multifamily Pool Number: TBD</b></p> <p><b>Bond CUSIP: (See inside front cover of this Official Statement)</b></p> <p><b>POOL STATISTICS AS OF CLOSING DATE</b></p>	
<p><b>TAX-EXEMPT BOND ISSUE INFORMATION</b></p> <p><i>(Information provided by Administration for this Official Statement)</i></p>	
BOND ISSUER NAME	Community Development Administration, Maryland Department of Housing and Community Development (“ <b>Administration</b> ”)
BOND ISSUE SERIES	Multifamily Development Revenue Bonds (Sustainability Bonds) (Villages at Marley Station), Series 2024 D-1 (Fannie Mae MBS-Secured)
BOND ISSUE PAR AMOUNT	\$98,810,000
BOND DATED DATE	December 19, 2024
FINAL BOND MATURITY DATE	February 1, 2044
BOND ISSUE TAX STATUS	See “TAX MATTERS” in the Official Statement
BOND ISSUE CUSIP	See inside front cover of this Official Statement
COLLATERAL FOR THE BOND ISSUE	Fannie Mae DUS MBS (see pool info below)
BOND ISSUE CREDIT RATING	Moody’s “Aaa”
BOND CLOSING DATE	December 19, 2024
BOND PAYMENT DATES	February 1 and August 1
BOND FIRST INTEREST PAYMENT DATE	August 1, 2025 or the following Business Day if such day is not a Business Day
BOND INTEREST-ONLY PERIOD	48 months beginning the month after Closing Date.
BOND FIRST PRINCIPAL PAYMENT DATE	August 1, 2029, or if such day is not a Business Day, the next Business Day
BOND FINAL PAYMENT DATE	February 1, 2044 (final bond mandatory redemption date)

<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.

ALL OTHER BOND ISSUE TERMS	Same as underlying MBS
BOND OFFERING PRICE	100%
BOND UNDERWRITER COMPENSATION	\$1,049,880.80 (inclusive of counsel fees)
BOND UNDERWRITER	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
INITIAL TERMINATION DATE	July 1, 2028, or, if such day is not a Business Day, the following Business Day
INITIAL MBS DELIVERY DATE	July 25, 2028, 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	January 1, 2029, or, if such day is not a Business Day, the following Business Day
OUTSIDE MBS DELIVERY DATE DEADLINE	January 25, 2029, or, if such day is not a Business Day, the following Business Day, which may be extended in accordance with the Indenture
BOND TRUSTEE	Wilmington Trust, National Association
BOND REMAINING TERM TO MATURITY	181 months from the Outside Termination Date
WEIGHTED AVERAGE MATURITY	17.742 years
<p align="center"><b>POTENTIAL UNDERLYING FANNIE MAE POOL STATISTICS ASSUMING THE ORIGINATION OF THE ENTIRE PERMANENT LOAN AMOUNT SUBJECT TO THE PERMANENT LENDER COMMITMENT AND NO WAIVER OR MODIFICATION OF ANY CONDITION TO THE ORIGINATION OF THE PERMANENT LOAN IN THE PERMANENT LENDER COMMITMENT ON OR PRIOR TO THE TERMINATION DATE.</b></p> <p align="center"><b>AN ADDITIONAL SEPARATE NOTE AND MBS SECURED BY A CO-EQUAL LIEN ON THE MORTGAGED PROPERTY MAY BE ORIGINATED AT CONVERSION IN AN AMOUNT NOT TO EXCEED 10% (\$9,881,000) OF THE COMMITMENT LOAN AMOUNT, SUBJECT TO SATISFYING ALL OTHER CONVERSION REQUIREMENTS.</b></p> <p align="center"><i>(Information provided by Lender for this Official Statement)</i></p>	
NOTE RATE	5.17%
ISSUANCE PASS-THROUGH RATE	4.28%
POOL ISSUANCE UPB (\$)	\$98,810,000
MAXIMUM ISSUANCE UPB	\$98,810,000
POOL MATURITY DATE	January 1, 2044
ESTIMATED MBS DELIVERY DATE	July 25, 2028, assuming a Conversion Date on or about July 1, 2028.
ORIGINAL LOAN TERM (MONTHS)	No less than 180 months from the Conversion Date
REMAINING TERM TO MATURITY (MONTHS)	From the Conversion Date to January 1, 2044
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	January 1, 2044, or the following Business Day if such day is not a Business Day
SECURITY TYPE	Fannie Mae MBS
SELLER NAME	PNC Bank, National Association
SERVICER NAME	PNC Bank, National Association
POOL NUMBER	TBD
% OF INITIAL POOL BALANCE	TBD
POOL PREFIX	TBD
<p><b>MULTIFAMILY SCHEDULE OF LOAN INFORMATION ASSUMING THE ORIGINATION OF THE ENTIRE PERMANENT LOAN AMOUNT SUBJECT TO THE PERMANENT LENDER COMMITMENT AND NO WAIVER OR MODIFICATION OF ANY CONDITION TO THE ORIGINATION OF THE PERMANENT LOAN IN THE PERMANENT LENDER COMMITMENT ON OR PRIOR TO THE TERMINATION DATE.</b></p> <p><b>AN ADDITIONAL SEPARATE NOTE AND MBS SECURED BY A CO-EQUAL LIEN ON THE MORTGAGED PROPERTY MAY BE ORIGINATED AT CONVERSION IN AN AMOUNT NOT TO EXCEED 10% (\$9,881,000) OF THE COMMITMENT LOAN AMOUNT, SUBJECT TO SATISFYING ALL OTHER CONVERSION REQUIREMENTS.</b></p> <p><i>(Information provided by Lender for this Official Statement)</i></p>	
FANNIE MAE LOAN NUMBER	TBD
LOAN MATURITY DATE	January 1, 2044
TIER	2
TIER DROP ELIGIBLE	NO
LIEN PRIORITY	First
WEIGHTED AVERAGE LTV	95%
WEIGHTED AVERAGE ISSUANCE UW NCF DSCR(x)	1.05x
BALLOON	YES
OTHER DEBT	YES
ORIGINAL UPB	\$98,810,000
ISSUANCE UPB	\$98,810,000
PREPAYMENT PREMIUM OPTION	YES
PREPAYMENT LOCKOUT PERIOD	N/A

PREPAYMENT PREMIUM	Yield maintenance from the Conversion Date thorough December 31, 2038.* Thereafter, a 1% prepayment penalty shall apply through September 30, 2043.† Thereafter, no prepayment premium shall apply.
FIRST LOAN PAYMENT DATE	First of the month following the Conversion Date
ORIGINAL TERM (MONTHS)	no less than 180 months
AMORTIZATION TERM (MONTHS)	35 years (420 months)
INTEREST TYPE	Fixed
INTEREST ACCRUAL METHOD	Actual/360
INTEREST ONLY END DATE	N/A
INTEREST ONLY TERM (MONTHS)	N/A
NOTE DATE	The Conversion Date
WEIGHTED AVERAGE ACCRUING NOTE RATE (%)	5.17%
LOAN PURPOSE	Acquisition/Construction
ISSUANCE NOTE RATE (%)	5.17%
MONTHLY DEBT SERVICE	\$509,445.89
MBS FRAMEWORK CRITERIA?	No
<b>COLLATERAL INFORMATION</b> <i>(Information provided by Lender for this Official Statement)</i>	
LOAN NUMBER	TBD
PROPERTY ID	TBD
PROPERTY NAME	Villages at Marley Station
PROPERTY STREET ADDRESS	7805 Bruton Drive
PROPERTY CITY	Glen Burnie
PROPERTY STATE	Maryland
PROPERTY ZIP CODE	21060
PROPERTY COUNTY	Anne Arundel
METROPOLITAN STATISTICAL AREA	Baltimore-Columbia-Towson, MD

\* 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.

† 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	1963
PHYSICAL OCCUPANCY (%)	90.62% (as of September 17, 2024)
UNDERWRITTEN ECONOMIC OCCUPANCY	93%
MAXIMUM PASS-THROUGH RATE	TBD
MINIMUM PASS-THROUGH RATE	TBD
REMAINING AMORTIZATION TERM	420 months commencing on the Outside Termination Date
ISSUANCE LTV (%)	74.86%
ISSUANCE UW NCF DSCR (x)	1.15x
UW NCF DSCR (x)	1.15x
UNDERWRITTEN EFFECTIVE GROSS INCOME (\$)	\$11,527,443.80
UNDERWRITTEN TOTAL OPERATING EXPENSES (\$)	\$4,497,074.27
UNDERWRITTEN REPLACEMENT RESERVES (\$)	\$227,100
UW NCF (\$)	\$7,030,369.53
CROSS-COLLATERALIZED (Y/N)	Yes (with taxable tail – see Additional Disclosure Addendum in Schedule I to APPENDIX A)
CROSSED TRANSACTION ID & LOAN NUMBER	TBD
CROSS-DEFAULTED (Y/N)	Yes (with taxable tail – see Additional Disclosure Addendum in Schedule I to APPENDIX A)
GENERAL PROPERTY TYPE	Multifamily Apartments
SPECIFIC PROPERTY TYPE	Multifamily Apartments
LAND OWNERSHIP RIGHTS	Fee simple
PROPERTY VALUE	\$132,000,000 (as of June 7, 2024)
SEISMIC RISK	The Project meets any Fannie Mae tests that require any mitigants for seismic risk.
TERRORISM INSURANCE COVERAGE (Y/N)	Yes
TOTAL NUMBER OF UNITS	757
UNIT OF MEASURE	Units
AFFORDABLE HOUSING TYPE	Low Income Housing Tax Credit (753 units)
TAXES CURRENTLY ESCROWED	No
PROPERTY OWNER	Fairfield Marley Station LP
SPONSOR	Fairfield Residential Holdings LLC
PROPERTY MANAGER	See “PRIVATE PARTICIPANTS – The Property Manager” in this Appendix H.
PROPERTY MANAGER EXPERIENCE	See “PRIVATE PARTICIPANTS – The Property Manager” in this Appendix H.

**MULTIFAMILY SCHEDULE OF LOAN INFORMATION**

**CRA INFORMATION**

*(Information provided by Borrower for this Official Statement)*

UNITS AT OR BELOW 50% OF AREA MEDIAN INCOME	227 <sup>‡</sup>
UNITS AT OR BELOW 60% OF AREA MEDIAN INCOME	189 <sup>‡</sup>
UNITS AT OR BELOW 80% OF AREA MEDIAN INCOME	189 <sup>‡</sup>
UNRESTRICTED UNITS	152 <sup>‡</sup>
UNITS WITH INCOME OR RENT RESTRICTION %	79.92%
AGE RESTRICTED INDICATOR	No
TAX ABATEMENT	PILOT Agreement in lieu of taxes
TAX CREDIT INVESTOR	PNC Bank, National Association
REGULATORY AGREEMENTS OVERSEER	Community Development Administration, Maryland Department of Housing and Community Development
REGULATORY AGREEMENT SET-ASIDES	LIHTC — See “THE PROJECT – Project Regulation” in this Appendix H.  Under the Regulatory Agreement the Borrower is required to rent at least 40% of the Project apartment units to certain qualified tenants whose income does not exceed 60% of the area AMI where the Project is located.

<sup>‡</sup> After December 31, 2026, the Project shall be encumbered in accordance with the terms of that certain tax credit restrictive covenant dated as of December 1, 2024.

APPENDIX I

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

December \_\_, 2024

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

**\$98,810,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-1**  
**(Fannie Mae MBS-Secured)**

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 \$98,810,000 aggregate principal amount of its Multifamily Development Revenue Bonds (Sustainability Bonds) (Villages at Marley Station), Series 2024 D-1 (Fannie Mae MBS-Secured) (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 December 1, 2024 (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 imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

- 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,

December \_\_\_, 2024

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

**\$79,190,000**  
**Community Development Administration**  
**Multifamily Development Revenue Bonds**  
**(Sustainability Bonds)**  
**(Villages at Marley Station)**  
**Series 2024 D-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 \$79,190,000 aggregate principal amount of its Multifamily Development Revenue Bonds (Sustainability Bonds) (Villages at Marley Station), Series 2024 D-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 December 1, 2024 (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 imposed on individuals. Interest on the Bonds may affect the federal alternative minimum tax imposed on certain corporations.

- 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, 2025, 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

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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.

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.

***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‡**

Development Name (New Construction/ Rehabilitation)	Development Location	4% LIHTC Awarded	Anticipated Population Served or Elected %AMI	Environmental Attributes	Bond Proceeds Disbursed (\$) as of [June 30, ____]	Bond Proceeds Disbursed (%) as of [June 30, ____]
Villages at Marley Station	7805 Bruton Dr., Glen Burnie, MD 21060 (alternate address: 7807 Winborne Dr., Glen Burnie, MD 21060)	Yes	[≤ __% 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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